



**CUSTOMER PERCEPTIONS OF SERVICE QUALITY IN A STUDENT-OPERATED  
RESTAURANT IN CAPE TOWN**

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## DECLARATION

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**Signed**



**Date:** 30 September 2021

## **ABSTRACT**

Customer perceptions of service quality in a student-operated restaurant are significant as they inform the management of current customer needs and expectations. Customer needs are changing, as well as their perceptions of service quality. Family structures are changing, and more women choose to remain single for longer as well. Women are no longer at home to perform domestic duties such as meal preparation. Time has become a scarce resource for working women who also have families. Restaurants have become aware of the ways that people re-invest their time. Learning about customer perceptions of service quality could assist service providers to satisfy customers, identify customer segments, increase patronage, increase customer referrals and increase profitability. The findings of this study could contribute to service excellence by identifying customer needs, identifying student-operated restaurant customers and enhancing service quality to satisfy these customers.

The hospitality industry is reliant on human resources to render services. In student-operated restaurants, human resources refer to students and student instructors. Guests associate service quality with the friendliness and attitudes of employees. A student-operated restaurant is dominated by students who are in continuous in-service and being trained on-site and it is therefore relevant to investigate customer perceptions of service quality. This vehicle was chosen for the study because it will contribute to the early career grooming of future hospitality employees.

This study used a non-experimental research design, which is suitable for descriptive studies, and a quantitative approach was selected to be able to quantify customer perceptions of service quality in a student-operated restaurant. The data collection instrument was an online survey questionnaire. The findings identified that the majority of the participants to be between 25 and 44 years of age; there were more single customers than married customers; there were more external (not linked to the SOR) customers, and the majority of households consisted of romantic partners who both work, and live with a minor. The service attributes that would motivate the current customer to return to the SOR is the combination of the high quality in food, the manner in which service was delivered, prices, and the location. The current customers would refer new customers because of their high-quality perception of the SOR's facilities, referring to the ease to find the SOR, cleanliness of the dining areas and toilets, the availability of parking, and feeling safe while at the restaurant.

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## DEDICATION

My God, my light and strength.

My mother Vuyokazi Mtukushe, Sobantu Mtukushe, Sinethemba Mtukushe and Namhla Mtukushe.

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The Mtukushe family, Jola, Qengeba noMphankomo.

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## **ABBREVIATIONS AND ACRONYMS**

CATHSSETA	Culture, Art, Tourism, Hospitality and Sport Sector Education and Training Authority
CBR	Casual buffet restaurants
CPUT	Cape Peninsula University of Technology
CRM	Customer relation management
CTHSSOR	Cape Town Hotel School student-operated restaurant
CTHS	Cape Town Hotel School
DASH	Dietary Approaches to Stop Hypertension
GDP	Gross domestic product
HBR	Hotel buffet restaurants
ILO	International Labour Organization
NSDS	National Skills Development Strategy
SBR	Specific buffet restaurants
SIC	Standard Industrial Classification of all Economic Activities
SOP	Standard operating procedure
SOR	Student-operated restaurant
SPSS	Statistical Package for the Social Sciences
SRR	Student-run restaurant
SSA	Statistics South Africa
T&T	Travel and Tourism
USA	United States of America
WOM	Word-of-mouth
WTTC	World Travel and Tourism Council

## **CHANGE OF METHODOLOGY DUE TO COVID-19 PANDEMIC**

The COVID-19 pandemic caused the researcher to amend the original methodology of this dissertation to comply with the lockdown regulations, which closed all restaurants, including the Cape Town Hotel School student-operated restaurant (CTHSSOR). The CTHSSOR was closed from the 10<sup>th</sup> of March 2020 and partially reopened on the 1 September 2020, for a very limited service.

The initial research design was to collect data via email from customers who received a butler service at the SOR, and printed survey questionnaires for the buffet, set menu, and *à la carte* service styles.

The original intention was to collect data at the CTHSSOR site. However, this could not be executed owing to the COVID-19 pandemic, and the resulting lockdown of all restaurants and food outlets. The South African government enforced a national lockdown that prohibited social gatherings and a temporary closure of non-essential businesses, including universities. Consequently, a new plan to collect data electronically was deemed necessary. The amended methodology entailed emailing the survey questionnaire to CTHSSOR customers, for online completion.

Permission was obtained from the supervisor, the CTHSSOR Operations Manager and the Functions Coordinator, to contact persons on the restaurant patrons' mailing list for their help in completing the questionnaires. The survey questionnaire was re-designed, adapted and distributed electronically, using SurveyMonkey®. The SurveyMonkey® system provides multiple options to distribute surveys, such as WebLink, email, buying targeted respondents, websites and manual data entry.

## **CHAPTER 1**

### **INTRODUCTION AND BACKGROUND**

#### **1.1 Introduction and background to the study**

Studying customer perceptions of service quality in a student-operated restaurant (SOR) is significant as it informs the SOR management of current customer needs and expectations. The term SOR was adopted from a study by Nies (1993:21). The author describes a SOR as a restaurant that is situated in a hotel school with a capacity of 30 to 100 seats. SORs are operated by both students and employees, where employees play an instructional role for students. The hospitality industry is reliant on human resources to render services (Mathe & Slevitch, 2013:29) and in SORs, human resources refers to students and student instructors. Nethengwe et al. (2018:8) report that guests associate service quality with the friendliness and attitudes of employees. A SOR is dominated by students who are in continuous in-service and being trained on site, which makes it relevant to discover customer perceptions of service quality in a SOR. This vehicle was chosen for the study because it will contribute to the early career grooming of future hospitality employees.

Customer needs are changing, as well as their perceptions of service quality. Therefore, learning about customer perceptions of service quality could assist service providers to satisfy customers, identify customer segments, increase patronage, increase customer referrals and increase profitability. The findings of this study could promote service excellence by identifying customer needs, identifying who are SOR customers and enhancing service quality to satisfy these customers. The World Travel and Tourism Council (WTTC) (2018:1) reports that the Travel and Tourism (T&T) sector is one of the largest global economic contributors to global GDP and is expected to grow to 10.1% in 2028.

T&T, with hospitality, forms a part of the six sub-sectors of the Culture, Art, Tourism, Hospitality and Sport Sector Education and Training Authority (CATHSSETA). The CATHSSETA is one of the 21 South African sector education and training authorities established under the Skills Development Act (No 97 of 1998) in 2001 (CATHSSETA, n.d.:1). The CATHSSETA's mandate is to facilitate skills development within its six sub-sectors through the disbursement of grants for learning programmes and monitoring of education and training as outlined in the National Skills Development Strategy (NSDS). The existence of the CATHSSETA portrays an existing relationship between hospitality and T&T.

Studying customer perceptions of service quality is important for any business because it helps a business identify service attributes with which customers are satisfied or dissatisfied. This study explores customer perceptions of service quality rendered by students in a SOR. The study was inspired by two studies conducted in the United States of America (USA), one being Nies (1993) and the other Josiam et al. (2014). Limited literature is available on SORs and

customer perceptions of service quality in a South African SOR. The study was conducted in Cape Town, a city that has been judged as the 'Best City in the World' by The Telegraph 2017 Travel Awards (Cape Town Tourism, 2017:4). The award creates some level of expectation for visitors to Cape Town and encourages industries to enhance their services to meet and exceed customer expectations.

Extant literature in general agrees that the perceived service quality of restaurants can influence customer satisfaction (CS), and subsequent repurchase intention (Petrick, 2004:404; Leonnard et al. 2017:37 ) which contributes towards competitive success (Pikkemaat & Zehrer, 2016:343) bringing in substantial revenue (Otim & Grover, 2006:527), reducing transactions costs (Anderson et al., 1994:55), and spreading positive word-of-mouth to their networks (Leonnard et al. 2017:31; Al-Tit, 2015:131). Several studies (Xu & Goedergebuure, 2005:53; Magatef & Tomalieh, 2015:78) have found that it costs about five times more time, money, and resources to attract new customers than to retain an existing customer.

A sector that mostly provides services needs to know what customers expect, as well as customer perceptions of the service received and the overall customer experience. The study findings could contribute towards the hospitality industry globally and in hospitality training institutions.

## **1.2 Clarification of basic terms and concepts**

The definitions and concepts used in the study are explained in the section below.

### **1.2.1 Customer retention and market segmentation**

Customer retention refers to the organisation investing in marketing to current customers rather than attracting new customers (Sibanda & Ndhlela, 2018:33). Customer retention is of benefit to any business. It is important for a business to identify its target market, which can be done after market segmentation. Market segmentation is a "process of dividing a broad market with some similarities into smaller cluster groups of potential customers with similar needs, wants and desires for an identified product" (McIntee, 2014:118). Market segmentation was developed in economic theory to display how a business offering a homogeneous product in a heterogeneous demand market could maximise profits (Claycamp & Massy, 2016:388). Market segmentation saves costs and time by focusing all advertising and communication budgets on the specific targeted market. The market segmentation process was used in this study to identify SOR customers by collecting data from them. Segmented markets include geographic segmentation, demographic segmentation, psychographic segmentation, benefits segmentation and market value-based segmentation.

Restaurateurs need to know what customers enjoy the most and what concerns them while at the restaurant. Mhlanga (2018a:12) lists a number of significant dimensions that influence

customer experience, including assurance, taste of food, value for money and reliability of staff. The above-mentioned dimensions are said to be the key indicators of the customer experience and act as deciding factors for customers when considering patronage.

Nwokah and Adiele (2018:4) are of the view that patronage grows when a customer displays a conscious decision to consistently purchase food from a selected eatery. The decision to visit is often influenced by the relationship that exists between food quality and patronage in the food service provider industry.

### 1.2.2 Restaurants

Langford and Weissenberg (2018:8) estimate restaurant growth as twice the growth rate of the USA population and that growth has increased competition amongst restaurants. The increase in restaurant competition has compelled restaurants to focus on imperative strategies that would define the industry in 2018 and beyond. Joao et al. (2019:5) report that customer loyalty, based on perceived service quality, has a potential for customer retention. Management also has to drive employee engagement because it promotes a positive customer experience (Langford & Weissenberg, 2018:8). Hence, this study identified the SOR customers, their needs and their perception of service quality based on the service they received from the SOR.

Restaurants offer ready-to-eat food to customers to meet their needs, which needs differ and can be met by different types of restaurants. Stewart et al. (2004:1) define a full service restaurant as an establishment that offers menu choices and service is rendered by a waiter. The role of the waiter includes taking customers' orders and helping customers choose what to eat by offering information about the restaurant's dishes. This study focused on the CTHSSOR and reviewed works of other authors about their understanding of a restaurant and the similarities with a SOR. Josiam et al. (2014:51) note that a student-run restaurant (SRR) operates from Monday to Friday and is based on campus. Josiam et al. (2014:52) further state that in the USA, SRR menus are structured to maximise students' experiences of a restaurant, on a modest budget. Yu et al. (2018:2) opine that the type of restaurant determines the relationship between a restaurant's quality attributes and a customer's purchase intentions.

### 1.2.3 Service quality

Mathe & Slevitch (2013:29) define service quality as how employees perform service. Diggins (2014:135) indicate that restaurants offer both tangible and intangible components of a product. This is endorsed by Nethengwe et al. (2018:11) and Mhlanga (2018b:9), who report that service quality is both tangible and intangible. According to Mhlanga (2018b:1), service quality in a restaurant is influenced by the physical environment, employee service, ambience, location, type of menu and price. Mhlanga (2018b:7) further suggests that service quality is determined by the gap between a customer's expectations and the perception of the service received. A model known as SERVQUAL was developed by Parasuraman et al. in 1988 which,

according to Brett and Sibiya (2018:3), Mhlanga (2018b:7) and Tefera and Migiro (2018:3), measures service quality and customer expectations. Nethengwe et al. (2018:6) indicate that SERVQUAL is the most commonly used model to interpret service quality and is particularly suitable for use in the hospitality industry to measure service. SERVQUAL comprises five key dimensions of service quality, namely reliability, tangibility, responsiveness, assurance and empathy (Nomnga & Mhlanga, 2015:3). Understanding a SOR's customer perceptions of service quality is vital for customer satisfaction, identifying customer demographics, customer retention, customer referral and restaurant profitability. Nethengwe et al. (2018:13) underscore the importance of a manager's thorough understanding of the guest's perceptions of service quality because it contributes to customer satisfaction. Mhlanga (2018a:12) indicates that increasing the level of customer experience by focusing on the five key dining dimensions can help management identify the attributes that have the strongest influence on a customer's decision to buy. Mathe & Slevitch (2013:30) state that positive customer perceptions are created by exceptional service, customer satisfaction, retention and loyalty, which result in increased profits.

Service quality is a marketing concept, along with customer satisfaction and customer value (Nethengwe et al., 2018:3). Research into service quality is of vital importance in contributing towards improving the hospitality industry and training in the SOR. Quality of service is determined by how the actual service matches the customer's perception of quality service and it is important for a restaurant to focus on meeting and exceeding customer expectations, thereby creating a positive memory for customers of the restaurant experience. Successfully and proactively designing and delivering a consistent experience across all customer touch-points requires employees to be fully engaged with the brand promise and the brand values. Nomnga and Mhlanga (2015:2) suggest measuring and monitoring service quality and customer satisfaction because it is one of the key elements of a customer-focused business, including SORs.

Langford and Weissenberg (2018:4) opine that spending has shifted from product to experience, evidenced by decreased clothing sales and increased spending on experiences, such as eating out and recreation. It is pivotal to study consumer perceptions as they contribute to customer satisfaction. Failure of restaurateurs to identify service quality factors that negatively impact on customer satisfaction is the major reason for restaurants shutting down (Mhlanga, 2018b:3).

### **1.3 Statement of the research problem**

Customers' needs are changing, owing to lifestyle changes. The International Labour Organization (ILO) (2018:4), for example, reported an increase in educated women joining the workforce, which implies that few people are at home to prepare meals. Stewart et al. (2004:4)

are of the view that single people spend more on food away from home compared to couples with children living with them. Households with both men and women working have increased household incomes but decreased time to spend in the house. Time has become a scarce resource for couples as well as for single working people and people willing to buy time back into their lives. Restaurants offer services that enable customers to buy their time back by providing cooked food, which saves customers time in preparing food. Customer dietary requirements are also changing. There are multiple commercial diets that customers follow and restaurants offering 'food away from home' need to be aware of customers' needs. The changes in customer needs have created a gap between service offered and satisfactory service. There is a high demand for healthy, balanced food, especially in an international metropolitan city such as Cape Town, where tourism remains the highest economic contributor.

Considering the above, customer perceptions of service quality in a SOR remain unknown. It is not clear which customer segment visits a SOR, what their perceptions are of the service rendered at the SOR, and how service rendered could satisfy SOR customers, which makes it difficult for the SOR management to promote or enhance service quality.

#### **1.4 Research aim**

The aim of this research is to investigate customer perceptions of service quality in a SOR and so to close the gap in the existing knowledge of customers' needs to improve the service the SOR offers to its customers.

#### **1.5 Research objectives**

The objectives for the study, based on the problem statement and aim, are:

- **Objective 1:** Identify the different customer segments;
- **Objective 2:** Evaluate service attributes that lead customers to return to the Cape Cape Town Hotel School student-operated restaurant (CTHSSOR); and
- **Objective 3:** Determine the service attributes that leads to new customer referrals.

#### **1.6 Research questions**

The research questions that guide this study are:

- Who are the SOR's customers?
- Which restaurant service attributes encourages SOR customers to return to the SOR?
- Which service attributes would make the SOR customer refer new customers to the



## 1.7 Research design

There are three quantitative research designs—experimental, quasi-experimental and non-experimental (Welman & Kruger, 2004:69). This study follows a non-experimental research design, which is suitable for descriptive studies, whereas the experimental design is best used in laboratories (Welman et al., 2005:92). Lancaster (2005:124) refers to non-experimental research design as action design because it involves practical research that aims to solve real-world problems. This study aimed to solve a problem by contributing to existing customer perceptions of service quality in a SOR and finding ways to meet and exceed changing customer needs.

Non-experimental research designs can use survey questionnaires to collect data from a sample of respondents, in contrast to a census data-collecting method that collects data from the population (Welman et al., 2005:101). This study used online survey questionnaires because they are convenient and cost effective when compared to mailed and telephone surveys. Online surveys did not pose any COVID-19 infection risk to the respondents because there was no human contact between respondents and researcher. According to the World Health Organization (WHO) (2020:1), an individual is at risk of being infected by COVID-19 when in contact with an infected person, or touches surfaces that are contaminated with the virus, and then touch their face

There is usually a higher response rate for face-to-face questionnaire surveys than for mailed surveys, even though it is more time consuming (Blaxter et al., 2008:56). Data were collected from customers who previously dined at the CTHSSOR situated in Cape Town during 2019, South Africa. The CTHSSOR is a school in the Business and Management Sciences Faculty at the Cape Peninsula University of Technology (CPUT).

The study uses quantitative methodology and a quantitative research data collection method, a survey questionnaire, comprising closed-ended questions (Creswell, 2014:17). A survey questionnaire was appropriate for this study because it consisted of more than one dependent variable. Welman et al. (2005:92) confirms that survey questionnaires are suitable for studies that comprise more than one dependent variable. Measuring similar perceptions of customers about SOR service quality attributes was possible using the data collected from the survey questionnaire. One of the quantitative research methods that were not considered for this study was the observation method. This method records the behaviour of the people being studied, as opposed to the survey questionnaire that collects data directly from people (Fox & Bayat, 2007:88). The answers from the survey questionnaires were analysed to respond to the research questions.

### 1.7.1 Primary data

Pellisier (2007:32) defines primary data as data collected by a researcher to use for a project. Primary data were collected from SOR customers by way of a self-administered survey questionnaire. Primary data collection methods differ depending on the research type (Wilson, 2014:152).

### 1.7.2 Survey questionnaire

An online survey questionnaire was used to collect data from CTHSSOR customers. The CTHSSOR Operations Manager and the Function Coordinator provided their customer email list. The questionnaire included a cover page informing participants about the study aims and objectives. There were no consent letters because the survey was online and a link was sent to all emails that were provided and all participants had a choice to participate.

The survey questionnaire consisted of customer demographic, psychographic and behavioural characteristic questions to segment customers. The survey questionnaire included the tangible and intangible attributes of service quality, which was structured according to the 5 Ps of place, product, people, price and promotion. The 5 Ps were presented in Likert-scale format, which is acknowledged the most popular, owing to ease of compilation (Welman et al., 2005:156). A Likert-scale format is easy to complete and encourages respondents to participate without worrying about wasting time. These were presented in 31 statements broken down into 5 for place, 7 for product, 7 for people, 7 for price and 5 for promotion, of the SOR and the service/products offered. According to Expert Program Management (EPM) (2018), there are 7 Ps in the marketing mix concept, also known as a service mix, which can be used by service providers to encourage and promote sales.

### 1.7.3 Secondary data

Secondary data refers to data that have been collected by other researchers in their different projects and can be found in a printed and electronic form (Fox & Bayat, 2007:49). Wilson, (2014:189) states that one of the reasons researchers use secondary data is to establish whether they need to collect additional primary data by reviewing works of other authors on similar topics to find a gap in the reviewed literature.

## 1.8 Study area

The Cape Town Hotel School forms part of the Faculty of Business and Management Sciences of CPUT. Its primary function is the education and training of hospitality industry staff in the front of house, food preparation and catering, and general administration of accommodation organisations.

The SOR is located at the Hotel School restaurant, on the Atlantic Seaboard of Mouille Point, Cape Town, at number 48 Beach Road.

## **1.9 Target population and sample size**

Welman et al. (2005:52) define a population as a group of people or organisations that share identifiable common characteristics. The population of this study comprises all SOR customers and their common characteristic is the choice to eat at the SOR. The sample of this study was 100 customers based on the maximum number of patrons the restaurant can seat per serving period was conducted to avoid collecting data from all CTHSSOR customers participating in the study. Sampling saves time and money that would be used in cases where a large population participated in a study.

There are two sampling techniques—probability and non-probability sampling. In probability sampling, individuals who represent the population have an equal chance of being chosen to partake in a study, while in non-probability sampling there is no equal chance of participating (Fox & Bayat, 2007:58). There was no list of customers from which to select a sample, therefore a non-probability sampling technique was used. The data were to be collected from customers who ate at the restaurant during the data collection period and potential customers who were not at the restaurant during that time would have no chance of being chosen to participate in the study. The CTHSSOR's patron mailing list was provided to the researcher. This list contained contact details of customers who had previously eaten at the CTHSSOR and the survey questionnaire was emailed to the 395 names on the list.

The most common non-probability sampling types are convenient sampling, also known as accidental sampling, snowball sampling and quotas (Welman & Kruger, 2004:62; Fox & Bayat, 2007:59; Bryman et al., 2014:179). Welman et al. (2005:67) describe accidental sampling as the most convenient non-probability sampling method and it is suitable for this study. Customers over the age of 18 years were requested to participate via email. According to the South African Children's Act [No.38 of 2005] (2006:20), individuals below the age of 18 years are regarded as minors, cannot act independently, and need a parent or guardian's consent on behalf of a minor to contract. Surveying customers who are over 18 years of age, and have no mental illness, was in line with the CPUT ethical consideration. Customers above the age of 18 years old are regarded as adults because 18 years is a "legal age" in South Africa, and adults could easily understand the survey questions.

## **1.10 Reliability and validity**

Wilson, (2014:336) defines reliability as the degree to which repeat methods followed by a researcher under constant conditions yield the same results. Validity refers to how accurately a method measures what it is intended to measure (Wilson, 2014:337). Pellissier (2007:12) argues that a valid measure is usually reliable even though a reliable measure is not necessarily valid.

### **1.11 Pilot study**

A pilot study is a process used to test the data collection instrument to identify defects and unclear questions on the data instrument (Welman et al. 2005:148). Malmqvist et al. (2019:2) opined that pilot studies could be referred to as feasibility studies because their main purpose is to ensure that the data collection method is practical and aligned to the research questions. A feasibility study is part of the research plan (Malmqvist et al. 2019:2). A pilot study was conducted using eight participants, and collecting data from CTHSSOR staff prior to the intended survey. Ambiguity was noted as one of the errors that required the question to be re-written.

### **1.12 Significance of the research**

The study contributes to the existing knowledge base of customer perceptions of service quality, specifically in the SOR of a foremost hotel school, the CTHSSOR. Primary data collected from customers who have visited the CTHSSOR is specific to the service quality rendered by it. The findings on customers' perceptions of service quality will assist in developing training plans that are in line with present customers' needs. Furthermore, the study identifies the different customer segments that visit the CTHSSOR and their motivation for return visits. McIntee (2014:117) states that it is imperative for a business to identify a group of customers who have similar needs that the business can satisfy because focusing on a particular segment can help the business to focus its marketing efforts, thus saving marketing costs and time.

The findings of the study could assist the management of CTHSSOR to change current standard operating procedures (SOPs) that have a negative impact on its service quality. The SOPs could be used as a training manual for new employees, as well as new and returning students and could improve staff and student working relationships. Corrective measures, based on the findings, could enhance the SOR service quality and customer experience. The findings of the study could also contribute to student training plans, SOR marketing plans and meeting customer expectations. Furthermore, the SOR management personnel could identify personnel training needs that could enhance student training and service quality. Mhlanga (2018b:10) suggests that improving service quality can lead to greater customer satisfaction, enhanced customer loyalty and increased patronage. Nies (1993:1) showed that hospitality management institutions with a SOR produce more graduates to work in the hospitality industry than hospitality management institutions that do not have a SOR. Therefore, SORs could be regarded as an essential part of the curriculum in institutions of higher learning that offer hospitality management programmes.

### **1.13 Method of data analysis**

Data analysis occurs after the collection of data, even though the method of analysis is decided prior to data collection (Welman et al. 2005:211). Chapter 3 discusses in detail how data for this study were analysed using Microsoft Excel tables and graphs that were exported from the SurveyMonkey® online data collector.

### **1.14 Delineation of the study**

Data for the study was collected from customers who had previously eaten at the CTHSSOR in Cape Town, South Africa. The Cape Town Hotel School (CTHS) is a department within the Faculty of Business and Management Sciences of CPUT, located at the Granger Bay Campus in Mouille Point. The participants in the research were customers who had previously received services at these premises. The study seeks to discover customer perceptions of service quality at the CTHSSOR.

### **1.15 Ethical considerations**

Ethical considerations in research refer to honesty and respect for human rights shown by the researcher (Welman et al., 2005:156). Ethical clearance was issued to the researcher by the CPUT ethics committee on the 30th April 2019 to prove that the data collection instrument of this study was ethical. All participants were fully informed of the technique and methodology involved in the research process and their exact role in the study. The cover letter of the survey questionnaire assured participants that all their responses would remain confidential and their anonymity was assured.

### **1.16 Structure of the dissertation.**

The study is structured in five chapters.

#### **Chapter 1: Introduction and background**

Chapter 1 introduces the study and provides a background and context to the research. The chapter offers a brief outline of the research problem, aim, objectives, research questions, research paradigm, research design and research method. Ethical considerations applied in this study conclude the chapter.

#### **Chapter 2: Literature review**

This chapter reviews existing literature relevant to the topic under study. The literature review is divided into different sections according to the variables of the study, which are customer satisfaction, service quality and customer retention.

### **Chapter 3: Research methodology**

Chapter 3 addresses the methodology and techniques used in conducting the study. The chapter explains the research design, research approach, target population, sample size and selection, sampling technique and the procedures of data collection.

### **Chapter 4: Data presentation, analysis and interpretation**

In this chapter, all the data that were gathered are analysed, presented and discussed. The different paradigms on the subject matter are addressed. The results are presented graphically in the form of tables and graphs.

### **Chapter 5: Conclusions and recommendations**

This final chapter is built on the findings that emerged from the analysis of the data presented in the preceding chapter. Conclusions are drawn and recommendations made. Some of the recommendations emanate from the researcher's own practical experience relating to the study.

## CHAPTER 2

### LITERATURE REVIEW

#### 2.1 Introduction

Chapter 1 introduced the research topic and stated the research problem, the aim of the research, research questions and the objectives of the research. This chapter reviews existing literature and expands on the research questions and objectives by referring to different ideas of different authors on the key study words. The aim of this research was to investigate customer perceptions of service quality in SORs, to close the gap in the existing knowledge of customers' needs and improve the service the SOR offers to its customers.

Customer needs are constantly changing due to lifestyle changes, such as a change in household structures. Households with both men and women working have increased household incomes but possibly less time to spend in the house. There is an increase in single parenting, more people are staying single for longer to pursue their career paths, there is an increase of environmentally conscious people and changes in dietary requirements. The ILO (2018:4) reports an increase in educated women joining the workforce, which implies that no one is home to prepare meals. Stewart et al. (2004:4) aver that single people spend more on food while away from home compared to couples with children living with them at home. Trafialek et al. (2019:4) endorses the statement that the majority (80%) of customers who responded to their study were single people. The changes in customer needs have created a perceived gap between services offered and satisfactory services. There is a high demand for healthy, balanced food, especially in an international metropolitan city such as Cape Town, where tourism remains the highest economic contributor. The Western Cape Government (2016:31) reports a 60% contribution of commercial services encompassing the wholesale and retail trade, catering and accommodation, transport, storage and communication and finance, insurance, real estate and business services industries towards the Metro's GDP. Filipino customers, for example, consider eating out as time to be with their family and friends and to relax (Masa, 2017:395).

The T&T industry is composed of five parts; lodging (hotels, bed and breakfast, guest house, camping, cruise ships), transportation services (ships, trains, airplanes, buses, cars, taxis), food and beverage (restaurants, bars, pubs, taverns), retail stores (arts and crafts shops, souvenir shops) and activities (recreation, educational trips, business conferences and events, festivals and sporting events) (Kapiki, 2012:1). The hospitality industry is customer-centred. Customer perception of service quality has an impact on customer retention and leads to an establishment's success. Furthermore, it is important to identify the target market to be able to offer satisfactory service, which will ultimately retain the consumer. Once the target market is identified, service attributes can be adjusted to meet and exceed customer expectations.

The focus of the study is primarily on customers and their perceptions of service quality in a SOR. Chapter 1 introduced the aim and objectives of this study, one of which is to identify the SOR customers and to evaluate the SOR service attributes that promote customer patronage and retention and another is to determine the service attributes that would encourage the SOR customers to refer to new customers. The following section discusses the different types of restaurants and their offerings.

## **2.2 Restaurants**

According to Dixon et al. (2018:107-108), there are five categories of restaurants presented in the North American Industry Classification System of 2017—quick service, fast service, family dining, casual dining and fine dining. In South Africa, restaurants are classified under class 5610 (Statistics South Africa [SSA], 2012:182). In class 5610 restaurants, activities include preparation and serving of meals to customers for immediate consumption. Different types of restaurants offer different service types.

### **2.2.1 Types of restaurants and needs the restaurant serves**

There are different types of restaurants offering different forms of service and meeting different needs. Al-Tit (2015:131) states that limited service restaurants are equivalent to American quick service restaurants because they share three characteristics—narrow menus, target price-sensitive customers and develop habit-forming purchases. Sumathi et al. (2017:141) liken a fast food restaurant to an American quick service restaurant. It can therefore be concluded that a limited service restaurant, a fast food restaurant and a quick service restaurant possess the similar characteristics of minimal table service, modest prices and quick service (Jin & Yazdaniard, 2014:270). Quick and fast service dining do not offer table service, whereas fast, family, casual and fine dining do offer table service (Dixon et al., 2018:107-108). Attributes of a quick service restaurant can meet the needs of customers on a limited budget, who need food in a short time and do not require table service.

The increased customer awareness about environmental sustainability has increased the popularity of green consumption, which identified an increase in green restaurant establishments (Yu et al., (2018:1). Yu et al. (2018:1) define green restaurants as restaurants that practise environmental sustainability in their operating processes, which consider how and where food is sourced, the cleaning supplies, source of power supply and other sustainable practices. Having identified environmental sustainability practices in Chapter 1 as one of customer needs, green restaurants are available to meet specific customer needs. Sumathi et al. (2017:141) defines a chain of fast food restaurants as a group of restaurants around the country or around the world, which focus on offering food quickly. The type of restaurant determines a customer's expectations and a customer's behaviour post-consumption (Mathe & Slevitch, 2013:30; Yu et al., 2018:3). To understand the type of restaurant, the type of service



the restaurant offers needs to be clearly communicated. Clear service offerings help a restaurant position itself in the market and to set the restaurant's standard offering. For example, some of the restaurant trends identified by Dixon et al. (2018:109) in Jacksonville, USA are:

- Diversity both on the menu and off the menu because of the high rate of immigrants working in the restaurant, influencing menu innovations;
- Convenience customers are opting for takeout, delivery and drive-through services to save time;
- Healthy and nutritious food is also in demand; and
- Sustainable locally grown food.

There has been a growth of local food establishments in, for example, the Philippines and the introduction of internationally franchised establishments has been adopted as a strategy to provide prospects for success in the food industry because it is already established (Masa, 2017:394). A study by Kayode et al. (2016:93) observed a market share dominated by the western fast-styled restaurants in Nigeria, which posed a threat to the local fast food restaurant market share. In contrast, a Wesgro Cape Town research (2019:7-9) identified the strongest share of cultural, historical, and heritage activity from 2015, 2016, and 2017 in the Western Cape province to be gauged at 58%, 66%, and 56% respectively of the local food market. Food parks have been identified as a type of restaurant offering a variety of foods in outdoor locations and are seen to increase in metro cities (Masa, 2017:394).

The type of restaurant and service offered by a restaurant contributes to customer expectations. For example, a customer who decides to buy from a fast food restaurant expects the food to be ready quickly and a customer buying from a green restaurant expects the establishment to have sustainable processes and products in place. With limited literature about SORs, customer expectations of service quality in a SOR are not clear. It is important to understand customer expectations for service quality in SORs to meet and exceed customer expectations. Mhlanga (2018b:1) argues that customer satisfaction improves a restaurant's reputation and sustainability.

In another study by Saneva and Chortoseva (2018:47) conducted in Macedonia (following an 8.9% increase in hospitality establishments observed between 2010 and 2015), seven different types of restaurants (two casuals, two pizzas and three fast food) were identified with an aim to analyse customer expectations and perceptions of service quality in restaurants. There are also ethnic restaurants that seek to meet the needs of consumers wishing to experience and appreciate the culture of the food provided in a particular ethnic restaurant (Ting et al.,

2017:21). Youn and Kim (2018:26) studied ethnic restaurants in Perth, the largest city in Western Australia, to establish whether the unfamiliar aspects of ethnic restaurants enhanced the perception of authenticity and risk. A study by Majid et al. (2018:1438) investigated the relationship of service quality, food quality and image on customer loyalty at a hotel restaurant in Terengganu, Malaysia, where the hotel was considered a training hotel for university students. A hotel restaurant is convenient for hotel guests as well as an opportunity for training students.

Ryu and Han (2010:310) identify a 'new growth' category in the food service industry that serves a restaurant niche between fast food and full service. The restaurant industry is growing and amending products and services to accommodate the changing needs of customers. The literature in this section considered studies conducted in South Africa and abroad.

The following section focuses on South African views, and discusses various relevant studies conducted in different types of restaurant in South Africa.

#### 2.2.2 Restaurants in South Africa

SSA (2019:4) ranked the trade, catering and accommodation industry the 3<sup>rd</sup> highest industry with the most liquidated establishments in South Africa, between January and November 2019. The City of Cape Town (2017:4) reported that the wholesale and retail trades and hotel and restaurant industry contributed 4.3% to the Western Cape's GDP. Although the reasons for liquidation were not mentioned, decreased sales would lead a business to liquidation and that is why customer retention is so important in this study. In Mhlanga's research (2018a:4), five restaurants at the OR Tambo International Airport in Johannesburg were exempted from the study sample due to the type of service they offered, in that they did not provide seating for immediate consumption. Even though Mhlanga stated that 16 restaurants were selected out of 21 available restaurants, it can be concluded that Mhlanga (2018a:4) does not regard a food and beverage outlet as a restaurant only because of the type of service it offers.

The characteristics of a sit-down restaurant are not made clear in the work of Petzer and Mackay (2014:7), though Table 2.1 below identifies the top five sit-down restaurants, with four of the five restaurants on the list of the Franchise Association of South Africa (FASA) (n.d.). Due to the lack of supporting literature, it is assumed that sit-down restaurants are neither franchised restaurants nor chain restaurants. South African restaurant characteristics are discussed based on studies conducted in South Africa.

**Table 2.1: Sit-down restaurant patronage habits of respondents**

Variable	Count	Percentage
Favourite sit-down restaurant (top five)		
Spur Steak Ranch	78	31%
Ocean Basket	25	10%
Mike's Kitchen	18	7%
Beef Boys	16	6%
Wimpy	15	6%
Regularity of eating at the sit-down restaurant		
Every second day	1	4%
Twice a week	2	8%
Once a week	16	6%
Once every two weeks	28	11%
Once a month	79	32%
Once every two months	44	18%
Once every two months	47	19%
Once every six months	33	13%

Source: Petzer and Mackay (2014:7)

Mhlanga (2018b:4) conducted a study in East London restaurants, comparing customer expectations and perceptions. The main characteristics of the restaurants studied complied with the criteria set by SSA, namely, an establishment that prepares and provides meals for sale to customers at their establishment for immediate consumption.

Mhlanga (2018a:4) also explored customer eating experiences at the OR Tambo International Airport in Johannesburg, where the characteristics of a restaurant included the provision of food and beverage sales to customers after selecting food and beverage items from a menu while seated at the restaurant. Different restaurants cater for different customer needs, and it is important for service providers to know who the targets of their services are.

Statistics South Africa is a South African department responsible for producing and organizing official statistical information for state, businesses and the general public to use when making decisions (SSA, n.d.).

### 2.2.3 The Cape Town Hotel School student-operated restaurant

The study was conducted at the CTHSSOR, which is situated at the Granger Bay campus of CPUT, approximately 3.8 kilometres from the Victoria & Alfred Waterfront. The CTHSSOR forms part of the Business and Management Sciences Faculty at CPUT. It renders services to

both internal and external customers. Josiam et al. (2014:52) refer to a SOR as a student-run restaurant (SRR). SRRs and SORs are usually located on an academic campus, which is the case of the CTHSSOR. According to Josiam et al. (2014:51), SRRs only operate during the week and the majority of SRRs serve lunch, offering a full service dining experience provided by students. SORs in the USA structure their menus to maximise student experiences while operating within the constraints of a modest budget. Themed menus are popular, in which case both the meal and the overall dining experience should reflect a unifying theme, such as “Thanksgiving”, “Heritage” or “Valentine’s Day “. A themed menu for Thanksgiving and for Valentine’s day would consist of different menu items, the menu food description would be presented differently, the atmosphere, as well as the colour theme of the décor. Themed menus provide a creativity platform for students. Students at CTHSR are given an opportunity to form groups that will raise funds on such festival meals. The funds can be through sponsorship that they acquire; they are then required to use the funds to organise a themed event hosting paying guests, and all earnings raised are then donated to the charity of the group’s choice.

### **2.3 Market segmentation and customer retention**

Market segmentation is a process of dividing customers into smaller groups based on their similarities and their needs. Market segmentation seeks to answer questions of “Who are my customers? What are they like? Where can I find more of them? What channels and messages should I use to connect with them?” (Mancini, 2009:30). Ugonna et al. (2017:76) define customer retention as “activities that the seller performs to influence first-time buyers to become repeat buyers and ultimately become loyal customers”, where customer segmentation processes can be completed and products and/or services can be adjusted to accommodate the target market.

One of the objectives of this study is to discover who the CTHSSOR’s customers are by using the segmentation process. The following section discusses market segmentation based on past research findings. Market retention is discussed because of its link with market segmentation because sellers need to know the characteristics of the customer they intend to retain.

#### **2.3.1 Market segmentation**

The main purpose of a business is to solve problems by providing services and products that meet a customer’s needs. Market segmentation can be used as a tool to gain competitive advantages over competitors by concentrating marketing energy within the segment (Thomas, 2017:1). It is imperative for a business to identify a group of people who have similar needs and then meet those needs. The evidence of different types of restaurants suggests that different restaurant types attract different segments of customers. Market segmentation is a

process of dividing customers according to their similarities. The most common segmentation type is demographics of age, race, gender and occupation. To answer one of the research questions that seeks to discover who the CTHSSOR customers are, a market segmentation process was carried out using ideas derived from past research. Dogan et al. (2018:3) identifies demographic segmentation as one of the most common and easiest segmentation types because it utilises common variables such as age, educational levels, gender and income bracket. Thomas (2017:2) argues that market segmentation is not limited to demographic, geographic, psychographic and behavioural divisions but there are also the less common divisions such as distribution, media, price, time and occasion-based segmentation. Thomas (2017:2) suggests that media segmentation is based on the different media types that appeal to a certain group of people, for instance Generation Z, born after 1995 and the Millennials that are technology-inclined (Dixon et al., 2018:110).

Market Business News (2019) defines market orientation as an approach that a service provider can adopt to maximise sales because the approach is customer-centred as it focuses on meeting customer needs. The attempt to meet customer needs guides the service provider product mix. Although product mix is not discussed in this study, a service mix is discussed in the restaurant service quality section. In addition, Kukanja (2017:42) states that market orientation is a strategic tool that businesses can use to gain a competitive advantage in an industry, such as hospitality.

Thomas (2017:2) describes distribution segmentation as a process of distributing the same product under different brands. Thomas continues, that price segmentation offers different products according to the customer's income, affordability and status. Time segmentation refers to products or services available at a certain time in the year based on the events taking place, such as holidays celebrated in that period (Thomas, 2017:3). Thomas (2017:8) infers that psychographic segmentation can be a waste of money if it does not lead to marketing actions. Yu et al. (2018:10) opine that people with a higher education are more informed and conscious about green practices than those with a low level of education. Josiam et al. (2014:61) utilised the analysis of variance to discover variances in perception between men and women and discovered an existing significant variance in perceptions between males and females. For example, of female and male customers who visited the same SRR, the female customers perceived the SRR to deliver good value-for-money, while their male counterparts did not (Josiam et al., 2014:61).

Dixon et al. (2018:109) discuss the American generational dining preferences, noting that customers born in different generations prefer different service and food types:

Baby Boomers, born between 1945 and 1964, had the highest disposable income, enjoyed a high level of service and aimed to build relationships with restaurant staff Dixon et al. (2018:109).

Generation X, born between 1965 and 1980, opposed formal restaurants when dining out, prioritised spending time with their families and preferred restaurants that are child friendly (Dixon et al., 2018:109).

Dixon et al. (2018:110) report that Millennials, also known as Generation Y, born between 1980 and 1995, prefer trendy cuisine and are willing to try cross-cultural varieties of cuisines. They prefer a casual ambience like Generation X, enjoy loyalty programmes and are social-media inclined. Millennials in the Philippines are known for their remarkable food preferences and are influenced by social media, evidenced by the evolution of soft-serve ice cream to charcoal flavoured frozen yogurts (Masa, 2017:394).

Generation Z demands and enjoys healthy, organic and sustainable cuisine. Generation Z customers prefer fast casual restaurants (Dixon et al., 2018:110). Mhlanga (2018c:2) and Dixon et al. (2018:110) agree that the Millennials prefer customised service and are technologically well informed. It is worth noting that Mhlanga's (2018c) study took place in South African restaurants, while Dixon et al. (2018) undertook their research in North American restaurants, suggesting strongly that globally, Millennials have similar service expectations. The current study could establish some similarity to the studies referred to above, with reference to the CTHSSOR patrons (Josiam et al., 2014). Market segmentation could assist restaurants to provide personalised service, increase sales and brand value, generate positive feedback and even offer recommendations by current customers (Mavragani et al., 2019:3). Segmentation results in high quality sharing of word-of-mouth (WOM) information among customers (Mavragani et al., 2019:3).

The findings of Mhlanga (2018a:5) at the OR Tambo airport restaurants in relation to customer demographics, found that the majority of respondents were male (55%), most of them were between the ages of 35 and 44 years and had a monthly income of R20 000 and above.

Some of the restaurant trends observed in 2020 include:

- Introduction of healthier menu options that contain organic ingredients and smaller portions
- Introduction of Middle East and Asian dishes on the menu
- Having fewer menu items to reduce food cost and enhance food quality
- There has been a rise in pop-up (mobile) restaurants and food trucks

- Ghost kitchens, also known as cloud kitchen/virtual kitchens/dark kitchen. These kitchens provide food on delivery and have no dining area.
- Restaurant are strengthening online presence
- There are more attractive vegan options on the menu
- There has been an increase in environmental practices in kitchens
- There are more self-service options, as well as 'grab & go', and
- Non-alcoholic beverages are also popular owing to customers' needs for healthier food and beverage options (Diaz, 2020).

South Africa has adopted the majority of the above-mentioned restaurant-trends, as evident in the increase of markets consisting of pop-up restaurants, and food trucks. There has also been an increase in environmentally conscious-restaurants, offering dishes that consist of seasonal ingredients, and vegan options on the menus, such as Kauai and Nu.

### 2.3.2 Market retention

Having discussed customer segmentation and the current restaurant trends, it is important to discuss strategies that can be employed to retain the identified customer segment. Customer retention can be addressed by using a customer orientation approach, exploring marketing relationships, customer satisfaction and customer loyalty. Market orientation is defined as a "process the service provider follows to ensure they perform services that meet customer needs" (Kukanja, 2017:42). The process that this study followed is market orientation, which Kayode et al. (2016:93-94) advise is the root of customer retention and is a marketing relationship that is based on positive interaction between a customer and service provider. This means that service providers must establish customer relationships to establish trust between the customer and service provider. When customer relationships are established, businesses can use customer relation management (CRM) strategies by including a CRM system in their evaluation processes. Zoho (2015) advocates that a CRM system is an information tool that stores customer contact information and sales records and can be used to communicate with customers. Kapiki (2012:2) suggests that customer retention occurs as a result of customer satisfaction from service quality. Yu et al. (2018:1) opine that customers' decisions to consume a product or service is determined by whether their expectations are met by what they have observed online about the restaurant. The findings of Tuan et al. (2018:270) highlight the importance for service firms to develop a brand image in chain restaurants to nurture relationship-building approaches with customers.

It is worth noting that customers that are satisfied with services can result in repurchasing, as satisfied guests usually encourage repeat purchases (Kukanja et al., 2017:158). One of the

research objectives of this study is to evaluate service attributes that promote customer patronage and retention. When the service attributes that influence customer patronage and retention are discovered, then the SOR can develop strategies to ensure that customers are retained using relevant loyalty programmes. Dogan et al. (2018:3) argue that customer loyalty programmes and loyalty cards are tools used by marketers to retain customers. Improving service quality in full service restaurants will strengthen customer loyalty and increase revenue (Mhlanga & Tichaawa, 2016:8). There are three customer retention stages that a service provider can implement—a customer’s financial gain, a stronger social gain and creating a unique experience Kayode et al. (2016:94).

Tuan et al. (2018:273) are of the view that loyal customers avoid evaluating competitors’ products or services because the process is time-consuming and Kayode et al. (2016:93-95) concur, noting that attitudinal loyal customers are resistant to testing competitors’ products. There are two different types of loyal customers—passive and active. Kayode et al. (2016:94) note that loyal customers cost less to service and spend more when a positive customer relationship is maintained.

Service quality gaps have a negative impact on customer satisfaction and customer retention. The gaps identified by Parasuraman et al. (1988, cited by Masa, 2017:395-396) are customer expectations and what the organisation’s management assumes are customer’s expectations. A gap may exist when management fails to design service standards that meet customer expectations. Failure of the organisation’s service delivery systems—of people, technology and processes—would create a gap in service standards. A gap can exist when a business over-promises and under-delivers. Tuan et al. (2018:272) of the view that the behaviour of restaurant customers is influenced by price, food, service, location and environment, while Mhlanga (2018a:4) agrees that price could have a significant impact on customer experiences and return intentions. EPM (2018) suggests that the 7 Ps are the business’ point of view but can be converted to 7 Cs to represent a customer view:

- Product = Customer
- Price = Cost of product
- Place = Convenience
- Promotion = Communication
- Process = Coordination
- Physical evidence = Confirmation
- People = Care



When converting the 7 Ps to 7 Cs, the product would be designed to meet customer needs. The price charged would match the value and the place where the customer purchases the service or product. This will be convenient for the customer to access and the medium that the business utilises to communicate with customer will be accessible. The processes would be standard, offering smooth coordination, the physical evidence would act as confirmation if the service provider does not over-promise on their adverts and finally, people rendering the service would do so with care for the customer.

#### **2.4 Restaurant service qualities**

Service quality is a widely-researched marketing concept in different types of restaurants. Examples are limited service restaurants in Amman, the capital city of Jordan (Al-Tit, 2015), green restaurants in China (Yu et al., 2018:10), quick service restaurants in Port-Harcourt in Nigeria (Nwokah & Adiele, 2018), sit-down restaurants in South Africa (Petzer & Mackay, 2014) and in formal full service restaurants in Port Elizabeth in South Africa (Mhlanga et al., 2014). A study conducted in the USA by Josiam et al. (2014) focused on SRRs; one of the study's limitations was the study location, so leaving a gap in the literature for South African-based SORs.

Service quality is defined as a customer's judgement after comparing expected service to actual service received (Al-Tit, 2015:130). Restaurant service quality includes attributes such as the restaurant's location and physical environment, ambience, employee engagement with customers, menu types and price (Mhlanga, 2018b:1). Kukanja (2017:42) reports that the first step to delivering quality service is to understand the customer's needs, the customer's expected service performance and the customer's perception of expectations. Service quality is the difference between a planned and executed service; if the executed service exceeds expectation, the service is said to be excellent (Gouws & Motala 2019:1). A study by Mhlanga et al. (2014:8) conducted in a full service restaurant in Port Elizabeth revealed that customers regarded service as the most significant attribute of a formal restaurant expectation.

Mhlanga and Tichaawa (2016:8) add that service has a significant role in full service restaurants in South Africa. A study by Eresia-Eke et al. (2018:1) found that customer service quality perceptions vary by racial group, which highlights the relationship between race and service quality perception. The current study does not consider the race of the customers participating in the study, although it could be a topic for further study to establish the race representation of the CTHSSOR customers.

In establishing what is meant by a restaurant service quality a marketing mix concept was used for this study to measure only customer perceptions of service attributes that the management could control in response to the current customers' perceptions. A marketing mix was used to establish whether the SOR is able to offer the right product, at the right place and service is

rendered by students. Ivy (2008:288) considers 4 Ps (product, price, place and promotion), 5 Ps (the 4 Ps with 'people' added to form the 5 Ps) and 7 Ps (adding physical facilities and processes) in her analysis. According to Ivy (2008:289), marketing-mix approaches are defined as controllable marketing tools that businesses use to produce the response to the business's target market. The 4 P model is generally used for tangible products and the 7 P model is a suitable approach for the service sector to meet and exceed customer needs (Ivy, 2008:289). Although there is a difference in the 5 P model components where Ivy (2008) includes people, Williams (1997:2) included packaging, the difference being based on the specific industry. For the purpose of this study, Ivy's (2008) 5 Ps marketing mix components were used because they are more appropriate for service sectors. This study utilised the '5 Ps' to evaluate customer perception of service quality, namely product, place, price, people and promotion.

According to the EPM (2018), there is a 7 Ps marketing mix concept, also known as a service mix, which can be used by service providers to encourage and promote sales. The 7 Ps consist of seven elements, namely product, price, place, promotion, people, physical evidence and process. The 7 Ps model is a suitable approach for the service sector to meet and exceed customer needs (Ivy, 2008:289) but for the purpose of this study, the 5 Ps marketing mix components was used to avoid duplicate data that the 7 Ps marketing components would provide and also to ensure that the survey is not too long. Therefore, the process and physical evidence questions were combined with people and place. The process is carried out by people and so the process followed by the people in rendering services to customers was measured together. Similarly, place and physical evidence questions were combined. The 7 P elements need to be balanced to attract and retain customers (EPM, 2018).

#### 2.4.1 Product

The product that is sold in a restaurant is food. For the purpose of this study the food quality was measured using seven statements for customers to rate their perceptions, namely food menu variety, food portion size, food flavour, food temperature, food freshness, food presentation and food dietary needs. Customer dietary needs were also considered to explore needs that may not be accommodated by any existing menu. Josiam et al. (2014:6) measured customer perceptions of food to establish whether the food portion size was acceptable, the presentation was attractive, the flavour was satisfactory, the freshness was acceptable, the temperature was correct and there was consistency across all cuisines. The last measurement by Josiam et al. (2014:6) pertaining to consistency, is perhaps vague because it is not specific as to what must be measured. According to Masa (2017:394), visually attractive food can have a great marketing impact for restaurants because customers love to take photos of attractive food (and themselves) and post photos of food online, which can act as free global promotion.

Prabha (2012:9) studied the perception of service quality and customer referrals in restaurants in Mauritius. The findings of that study showed that customers perceived satisfaction with food quality and reliability, which would encourage them return and also refer other people to the restaurant. Kukanja (2017:49) found that both managers and customers rated food safety as the highest indicator of perceived quality in a restaurant.

The U.S. News Staff (2020) ranked the top 35 Best Diets Overall based on seven categories:

- i) How easy it is to follow
- ii) Its ability to produce short-term and long-term weight loss
- iii) Its nutritional completeness
- iv) Its safety in managing diabetes
- v) Its safety in managing heart disease
- vi) Its potential for preventing diabetes, and
- vii) Its potential for preventing heart disease.

The top five diets selected from the U.S. News Staff (2020) 35 Best Diets Overall are the Mediterranean Diet, Dietary Approaches to Stop Hypertension (DASH), Flexitarian, Weight Watchers and Mayo Clinic. The most common characteristic of the top five diets is the high consumption of fruit and vegetables, a low consumption of food containing saturated fat and low consumption of alcohol. The top five diets did not include any religion-orientated restrictions to consider when choosing a diet because it focused on the health benefits, the affordability and the above-mentioned categories. Although it would be interesting to discover if chefs consider diet rankings when planning menus, the current study focuses on customer perceptions.

A study conducted by Nielsen (2020) did not mention any top ranked types of diets but aimed to track South African's plate composition, and found that 41% of the plate consisted of starch, 26% consisted of meat, 13% of vegetables and 20% were dairy products. The findings in the study conducted in South Africa are not in line with the most common characteristics of the US News staff top five diets, as the US News top five diets is dominated by fresh produce (fruit & vegetables). In contrast, the South African plate vegetable gauge is the lowest food group. In an introduction to the revised food-based dietary guidelines for South Africa, Vorster (2003:S33) suggests that a diet should consist of 50% starch (carbohydrates) foods, such as grains and cereals in minimally processed forms, legumes and root vegetables. Carbohydrates are said to help to protect humans against the development of Non-Communicable Diseases (NCDs), such as heart disease, diabetes, and cancer (Vorster, 2003:S33).

The following section will discuss the second component (place) of service quality.

#### 2.4.2 Place

When customers rate service quality the place where the service is rendered is generally measured using a five-point Likert scale, noting statements such as the restaurant was easy to find, there was adequate parking at the restaurant, the restaurant toilets were clean, the dining area was clean and customers were asked if they felt safe and secure (Kukanja, 2017:163). Customer perceptions of the restaurant facilities have an impact on the price and the overall experience of the customer, therefore the statements presented in this study consist of both place and physical evidence of quality attributes, according to the 7 Ps used by Kukanja (2017:163). However, for the purpose of this study, the 5 Ps are used, combining physical evidence and place attributes to avoid duplication.

The way people feel while they are at a restaurant is important; the atmosphere influences the experience of the service, the food and the entire dining experience. Cleanliness, security of the premises, ambiance, lighting and music are important to create a conducive atmosphere (Masa, 2017:395). Parking and the exterior environment, decor, image, the price range, a comfortable dining area, cleanliness of the dining area and comfortable dining-room seats are important (Mhlanga, 2018a:8). Trafialek et al. (2019:9) evaluated 12 elements in the interior of the restaurant as being important for a positive customer-experience, being

“location, opening hours, interior decoration, atmosphere of the restaurant, cleanliness, dishes and cutlery reusability or disposability, cleanliness of dishes and cutlery, availability of sugar and spices, napkin reusability, availability of toilets and the availability of non-alcoholic and alcoholic drinks”.

The physical evidence and placement were assessed separately by Kukanja (2017:161-162) although they both focus on the restaurant as a channel of distribution with tangible factors such as cleanliness of the premises, comfort, parking areas and sense of security. In a study conducted in a SOR, customers mentioned the lack of convenient parking and multiple payment methods as two important barriers to increased patronage (Josiam et al., 2014:47). Customer perceptions of the restaurant facilities pertaining to “ambiance, opening hours, the availability of reusable napkins, interior decoration, lighting and music” were not measured (Josiam et al., 2014:47). The works of several authors (Josiam et al., 2014:47; Kukanja, 2017:161-162; Masa, 2017:395; Mhlanga, 2018b:6; Trafialek et al., 2019:9) were useful to discover whether the customer felt safe, the parking space was adequate and the cleanliness of the restaurant.

#### 2.4.3 Pricing

Product pricing can be determined by the demand or budget targets with the aim of offering good value to the customer. High price can be associated with high quality service, while customer satisfaction can be achieved by creating additional value for money (Mhlanga,

2018b:2). The product price is important in determining whether the price charged is worth the value customers receive. In the current study, customer perceptions of price and payment methods were determined using questions borrowed from several authors. Examples of such questions are: "is payment method convenient" (Josiam et al., 2014:66), "the food quality was good for the price I paid, the bill is error-free, paid more than I budgeted, food is expensive" (Mhlanga, 2018b:6-7), "beverage is expensive, I would be interested in a loyalty programme" (Josiam et al., 2014:64). The loyalty programme question was included to get an idea of how many customers would be interested because loyalty programmes create value for customers and repeat purchases for business. In the study by Kukanja (2017:161), customer price perceptions were measured based on the price factors of "understandability of prices, accurate bill, good value for money, price competitiveness and expected price level". Mhlanga (2018a:12) is of the view that social and economic rewards can promote return patronage. Less price sensitive and frequent users act as ambassadors because they spread the "good news" and encourage new customers (Masa, 2017:399). A dining experience is no longer considered a special occasion and customers seek services that provide good value, focusing on "price, standards, experience, flexibility and the customer care and service consistency, quality and creativity" (Masa, 2017:394).

#### 2.4.4 People

One of the 7 Ps is process, a quality assessment dimension that could assess the different processes in a restaurant, such as the process of welcoming guests or taking orders from the guest. In this study, process was not assessed separately but included with people because it assesses service quality performed by people. Josiam et al. (2014:57) established that the majority of SORs were managed by university students, university staff, members of the university community and visitors to a campus. In this study, it was imperative to discover whether the SOR customers perceived the students as "approachable, knowledgeable, anticipate their needs, give prompt service, pay attention to special requests, serve the correct order, be confident and be comfortable to communicate" (Josiam et al., 2014:57).

Yu et al. (2018:13) confirms that expectations of service quality of a restaurant are determined by the employees and the service performance in green restaurants. Kukanja (2017:163) and Mhlanga (2018a:7) measured "staff hospitality, competences of service staff, prompt responsiveness of staff to questions, helpfulness of staff in satisfying clients' needs, responsiveness of service staff and waiting time". Staff image, skills such as menu knowledge, sense of urgency, accuracy and show of empathy towards customers were important (Mhlanga, 2018a:7). Mathe & Slevitch (2013:45) suggest that employee involvement should be considered to improve organisational performance through training and intervention. The nature of the hospitality industry relies heavily on human resources because it is service-

based. Human resources and people skills contribute significantly to service quality, making training imperative. The quality of restaurant staff has the greatest significance in ensuring restaurant quality (Kukanja 2017:166) and managers are encouraged to recognise the importance of recruiting strategies, formal education and formal and informal training.

#### 2.4.5 Promotion

The EPM (2018) describes promotion as the manner in which service providers advertise their products and services. The promotion platforms used by businesses to communicate with the targeted and current customers are confirmed by Ivy (2008:290), showing how the SOR received information, based on the survey options of social media, newspapers, television, radio and/or WOM. Ivy defines promotion as “tools that establishments utilise to communicate their services and offering to the target market”. Kukanja (2017:162) measures customers’ views on “advertising, sales promotions, public relations, discounts and special offers, outdoor lighted signage and boards, menu and wine lists, direct sales, invitations and announcements and special events”. Branding, the use of ambassadors and celebrity endorsement can also be used to communicate the quality of the product (EPM, 2018).

### 2.5 Measuring service quality

Service attributes are used to collect SOR customer perceptions of service quality; the 5 Ps concept is similar to the 7 Ps used by Kukanja (2017:162). There are other concepts that can be used to measure service quality, such as SERVQUAL, DINESERVE, CIERM, SERVEPERVE and CFFRSERV but they are not appropriate for this study as they do not focus on the restaurant client.

Restaurant service quality is measured using the three dimensions of food, ambiance and the employee (Al-Tit, 2015:132-133). Service quality is assessed by customers continuously throughout the service (Saneva & Chortoseva, 2018:48). Green restaurant customers enjoy spending time in a green restaurant but do not prioritise service speed, as evidenced by Yu et al. (2018:10), that speed of service did not affect customers’ expectations of service quality. A positive perception of the service quality induces loyalty to the hotel or restaurant (Arias-Bolzmann et al., 2018:2). This finding accords with earlier observations, that service quality dimensions cannot be generalised (Kukanja, 2017:166). Another study concluded that pricing and promotion had little effect on customer loyalty, while product quality and service quality were the main drivers of customer loyalty and retention (Kayode et al., 2016:93)

The assessment of service quality is generally based on customer satisfaction. Service quality in restaurants can be broken down into multiple dimensions, depending on the measuring tool to be used. One of the most appropriate service quality models is SERVQUAL (Eresia-Eke et al., 2018:5; Saneva & Chortoseva, 2018:47-48; Gouws & Motala, 2019:7). Saneva and Chortoseva (2018:48) state that the SERVQUAL and DINESERVE models do not measure

food quality because food is one of the overall restaurant experience indicators and it is a disadvantage to use either to assess restaurant service quality.

### 2.5.1 SERVQUAL

SERVQUAL is a tool that can be used to measure service quality in different service-offering industries and was developed by Parasuraman et al. (1988:30). SERVQUAL, also known as RATER, considers five dimensions used to measure service and consists of 22 service attribute statements about customer expectations and 22 service statements of perceptions (Gouws & Motala, 2019:7). The SERVQUAL method determines the differences between the customer's expectations before service is rendered and the perceptions of the actual service quality (Saneva & Chortoseva, 2018:49; Gouws & Motala, 2019:7).

The five dimensions of SERVQUAL are tangibility, reliability, responsiveness, assurance and empathy. The first dimension addresses tangible features that can be seen and touched, such as the physical appearance of personnel, the availability of seating in the restaurant and the availability of parking. Reliability speaks to the customer's perception of whether the service provider can be relied upon, whether service was delivered at the promised time and whether the correct order was delivered. Responsiveness refers to the staff member's willingness to help the customer and to offer prompt service, while assurance refers to the staff member's confidence and knowledge of the products. Empathy refers to convenience provided for the customer. Markovic et al. (2010:184) note that the SERVQUAL instrument consists of 22 statements that are used to measure customer perceptions and customer expectations. Al-Tit (2015:132-133) used the five SERVQUAL dimensions but added customer retention, food quality and customer satisfaction variables to investigate the effects of service quality on food quality and customer satisfaction that can lead to customer retention. According to Markovic et al. (2010:183) and Kukanja (2017:159), the SERVQUAL instrument is one of the well-tested service quality measuring tools that could be used in any service-rendering entity. However, it deemed suitable for this study because it is lengthy, inconvenient and could result in low responses.

### 2.5.2 DINESERV

According to Markovic et al. (2010:184), Hansen (2016:119) and Mhlanga (2018b:7), the DINESERV service measuring tool, developed by Stevens, Knutson and Patton in 1995, was derived from the SERVQUAL instrument. The aim of the DINESERV model was to measure service quality specifically in restaurants, whereas SERVQUAL is used to measure service quality in general, to discover a gap that may exist between customer perceptions and customer expectations. DINESERV consists of 29 attributes, grouped in the original five SERVQUAL dimensions (Saneva & Chortoseva, 2018:48). DINESERV, like SERVQUAL, was considered too lengthy and not suitable for this study. Mhlanga and Tichaawa (2016:4)

investigated factors affecting consumer selection criteria in formal full service restaurants in Port Elizabeth, South Africa. The DINESERV model only measured service quality and a data collection instrument was therefore based on that study's objectives. Another study by Mhlanga (2018b:7) adopted DINESERV statements from the study by Markovic et al. (2010:184) that was based on the original DINESERV developed by Stevens, Knutson and Patton in 1995. It is worth noting that Stevens, Knutson and Patton initially developed 29 service attribute statements, then Markovic et al. (2010:184) included six more statements, but Mhlanga (2018b:7) only included 32 statements. The difference is that the number of statements included or excluded are based on a study's objectives.

### 2.5.3 One-dimensional service quality instruments

Kukanja (2017:159) reports that SERVQUAL and DINESERV measure perceptions where there are one-dimensional instruments that focus only on customer perceptions of performance service. The one-dimensional instruments are SERVPERF, Dineserv.per, Tangserv and CIERM.

SERVPERF mainly measures service performance, can be used to identify employee skills/needs and has a positive contribution to employee involvement with the aim to enhance service quality. SERVPERF was not suitable for this study. Employee involvement improves service and results in high service quality (Mathe & Slevitch, 2013:30). In the case of a SOR, students are instructed as part of their training to perform employee roles. For students to perform and yield high quality service, instructors should facilitate employee involvement to engage students. The DINESERV.PER measures service quality based on all five SERVQUAL dimensions and TANGSERV focuses only on the tangible elements, while CIERM consists of the three dimensions of nutritional value, ingredients and preparation techniques only (Kukanja, 2017:159).

CFFRSERV is a service quality measuring model that includes the dimension of food quality and was created based on a modified DINESERV. The CFFRSERV model contains 26 attributes grouped in the six dimensions of "assurance and empathy, cleanliness, food, responsiveness, reliability and tangibles" (Saneva & Chortoseva, 2018:48). There are studies that assess food quality without mentioning CFFSERV, including Josiam et al. (2014:54-55) and Trafialek et al. (2019:3). Saneva and Chortoseva (2018:48) conducted a study titled *Service quality in restaurants: Customers' expectations and customers' perceptions*, using SERVQUAL, DINESERV and CFFRSERV. The CFFRSERV model was included in the study by Saneva and Chortoseva because it measured food quality, in contrast to SERVQUAL and DINESERV, which both lack a food quality dimension. Although multiple service quality measuring tools exist, they were all not suitable for this study. Hence, the 5 Ps of marketing mix was used, as it was similar to Kukanja's (2017:161) study, which used the 7 Ps, aiming to



determine how different marketing factors influence restaurant guests' overall quality perception.

Furthermore, this will provide theoretical support for the approach chosen to measure service quality. There is some controversy on the measurement of service quality: it is either measured as a performance-based only measure, or a comparison between expectations-and-performance perceptions. However, the theoretical support for the use of performance-based only measures of service quality is provided in the relevant literature, demonstrating that perceived service quality is best conceptualised as an attitude (Brady et al., 2002:19 ; Churchill & Suprenant, 1982:493). The attitude-based operationalisation of service quality developed by Cronin and Taylor (1992:64) was based on both the theoretical and empirical evidence that the performance-only service quality instrument "outperforms the disconfirmation-based SERVQUAL scale..." (Brady et al., 2002;19). Then, although Cronin and Taylor (1992:65-66) question both the theoretical basis and the five-component structure of SERVQUAL, they still make use of the 22 performance items proposed by Parasuraman et al. (1988:24) to define service quality, as validated and supported by the relevant development procedures. In this vein, though this study does not apply the expectations-and-performance perceptions of Akbaba's scale, it does make use of the perception measurement items suggested, as per the recommendations of Cronin and Taylor (1992:65-66).

For example, a number of studies highlighted the applicability of SERVQUAL instruments, such as DINESERV (Stevens et al., 1995:58), DINESCAPE (Ryu & Jang, 2008:4) or TANGSERV (Raajpoot, 2002:112) for foodservices. All these instruments capture different dimensions of quality and differ according to whether they are full service (Jani & Han, 2011:1000; Park & Jang, 2014:22;) or quick service (Etemad-Sajadi & Rizzuto, 2013:81; Richardson et al., 2019:2625). Depending on the research focus, research highlighted either the importance of staff-related SQ, food quality, or environmental factors such as ambiance.

Previous studies showed that food quality is the most important aspect for customers' total quality perceptions of full-service restaurants (Shahzadi et al., 2018:338) but SQ is experiencing a revival in times of increased emphasis on customer experiences permeating marketing, economics, hospitality and psychology literature (Adhikari & Bhattacharya, 2015:1). In this context, recent literature highlighted the importance of service quality for the service industry (Mathe & Slevitch, 2013:31; Nwokah & Adiele, 2018:4; Teixeira et al., 2012:366; Brunner-Sperdin et al., 2012:25; Alhelalat et al., 2017:47; Kim & Choi, 2019:1). Additionally, it is noted that measuring service quality represents an opportunity to achieve a competitive advantage in service organisations (Teixeira et al., 2012:362)

(Ladhari, 2009:311; ) understood the speed of service delivery, convenience, value-adding, lifestyle connotations, as well as the technology as influencing factors on customers'

perceptions of the service experience. These aspects are closely related to staff-related SQ dimensions focusing on employees' reliability, responsiveness, empathy and assurance. In this context, Cui et al. (2019: 8) emphasised the role of "professionalism, the ability to respond to customers' emotions and hidden needs and build bonds with them, and the ability to deliver one-stop service" to achieve delightful service.

Additionally, previous research also showed the role of atmosphere for customers' behavioural intentions, for example, as underlined by the atmosphere dimension in the SERVQUAL and DINESERV measurements (Stevens et al., 1995:59; Ladhari, 2009:319) or by assessing the importance of ambiance (Sester et al., 2013: 480; Njite et al., 2015:171). Other findings provide a more nuanced view on how cleanliness affects quality perceptions (Barber et al., 2011:335) or argue for the importance of music, temperature, or aroma for emotional arousal, which also affects customers' intentions (Ryu & Han., 2010:325).

## **2.6 Summary**

This chapter reviewed various literature on the different types of restaurants and the different needs that a restaurant aims to fulfil. Customer segmentation was discussed, highlighting the importance of service providers being aware of current customer demographic representation to align service delivery to meet customer needs. Researchers suggest that satisfied customers become loyal customers when they are always satisfied. Some authors argue that loyal customers are not necessarily satisfied customers and suggest constant communication between service providers and customers to learn about customer needs. Customer retention strategies were considered in relation to customer loyalty through loyalty programmes. Service quality attributes were broken down using the 5 Ps marketing model. The different service quality models were discussed and how service quality can be measured using the models.

The following chapter is details the research methodology applied in this study.

## **CHAPTER 3**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

The previous chapter reviewed existing literature and the keywords relevant to the study were discussed by exploring previously published works consisting of similar keywords. The discussion depicted various concepts that are aligned with the aims and objectives of this study. The different types of restaurants were explored to set the SOR apart from other types of restaurants by identifying the most prominent similarities and differences. This chapter explains the data collection process and discusses the research problem, aims and objectives of the study.

#### **3.2 Research problem, aim and study objectives**

##### **3.2.1 Research problem**

Customer needs are constantly changing due to lifestyle changes, for example, a change in household structures. Households, with both the man and woman working, have increased household incomes but decreased the time spent at home. There is an increase in single parenting, more people are staying single for longer to pursue their career paths, there is an increased number of environmentally-conscious people and changes in dietary requirements. It is therefore imperative to understand customer perceptions of service quality to adjust to the changing needs of customers and provide training in the SOR for students using the most updated industry customer trends. Using current customer trends means that the SOR will have quality students who will not only inform the industry of customers but will become leaders in the industry. The aims and objectives of the study are discussed in the following section.

##### **3.2.2 Aim and objectives**

Having explained the research problem, the main aim of the study was to investigate customer perceptions of service quality in the CTHSSOR to improve the service quality because no similar study has been conducted in South Africa. This study was undertaken to close the gap in the existing knowledge base of customer needs in restaurants to improve the service the CTHSSOR offers to its customers. Three objectives were identified to support the aim. One of the objectives was to identify the segment that represents CTHSSOR customers. Chapter 2 discussed the different customer segments using customer demographics in relation to the different customer needs and how customer needs influenced the customers' choice of restaurant. Asking questions that will answer the question supporting this objective is important for the study and all the questions were asked of the CTHSSOR customers using the most suitable data collection instrument, namely, a structured questionnaire.

The second objective of the study was to evaluate service attributes that promote customer patronage and retention. When reviewing literature in Chapter 2 to support the second objective, restaurant service quality was broken down into the accepted five Ps of marketing to discover restaurant service quality attributes that influence customer patronage and customer retention. A customer segmentation process, restaurant service quality attributes and customer retention strategies, explored the relationship between the type of customers that frequent the CTHSSOR, their needs and customer satisfaction. The last objective of the study was to determine the service attributes that would influence existing CTHSSOR customers to refer new customers. In this chapter, the research design and research methodology is discussed, explaining in a logical manner how the research approach was decided upon and what the approach entails. The process that was undertaken is important because it acts as a plan for the data collection process.

### **3.3 Research design and methodology**

The research design describes in detail the process that is followed when collecting data. The reasons that informed the chosen research design are discussed by analysing the different research paradigms, research approach and research methods available using secondary data. A research design is a plan, a blueprint that discusses who the respondents of the study are, which data collection instruments will be used to best address the research objectives (Welman et al., 2005:52; Abutabenjeh & Jaradat, 2018:238; Indu & Vidhukumar, 2020:64).

#### **3.3.1 Background to the research design: Ontology and Epistemology**

Ontology is the researcher's view of reality and is divided into two streams—realism and relativism. Some researchers believe that there is only one truth and that truth does not change; they are said to be realists and they use objective measurements in their studies (Killam, 2015). Realists are also known as positivists and generally use a quantitative approach when conducting research (Welman et al., 2005:6; Sayed, 2017; Pretorius, 2018). In contrast to the realists, researchers with a relativism philosophy believe in multiple truths; they believe that the truth is influenced by the context and cannot be generalised and therefore use subjective measurements in their studies (Killam, 2015). The main aim of this study was to investigate customer perceptions of service quality in the CTHSSOR and the customer's responses are subjective because they are based on the customer's personal experience. This study used a relativism research approach to discover multiple views of multiple customers about service quality in a SOR.

Epistemology is the position of the researcher when acquiring knowledge and the position of a researcher is influenced by the researcher's ontology (Killam, 2015). The realist's epistemology is outside the study, while the relativist is within the study. Realists tend to observe research participants whereas relativists converse with the research participants. The

research methodology is informed by the researcher's ontology and epistemology (Killam, 2015). The researcher can choose a qualitative and quantitative research design depending on the aims of the research. Indu and Vidhukumar (2020:64) suggest that a study can be observational, non-experimental or interventional, meaning experiential. The ontology of this study is realism and that means that the position of the researcher is within the study in contact with the research participant, so the study is quantitative using a non-experimental research design. Although Killam (2015) suggests that a relative ontology and inductive epistemology use a qualitative research design, this study follows a quantitative research design because it seeks to quantify customers' perceptions. Qualitative research designs consist of research methods that are time-consuming and, as mentioned in the problem statement, the majority of people in the Metropole could have time constraints and therefore use the SOR restaurant services to buy back their time. Qualitative research methods such as interviews, participant-observation, focus groups and content analysis, would not be convenient for this study's population. Other authors who conducted studies in SOR restaurants collecting data from customers, utilised quantitative methods (Josiam et al., 2014:57; Mhlanga & Tichaawa, 2016:3; Mhlanga, 2018b:5; Trafialek et al., 2019:3) and they found the method to be convenient for customers and the investigators.

### 3.3.2 Research design

Prior to deciding on a suitable research design, secondary data (journals, books, previous research) were used to help select a design that would ensure that the research questions were answered during data collection: the which, where, who, what, how and when questions were used as guidelines. The first question was which quantitative research design has been used, but the majority of authors mentioned in Chapter 2 and above advocated the non-experimental design. According to Welman et al. (2005:78) and Indu and Vidhukumar (2020:64), there are four types of research designs, which are experimental, quasi-experimental, non-experimental and qualitative. Struwig and Stead (2007:7) refer to quantitative research designs as experimental and quasi experimental research design as a 'design'.

There are three quantitative research designs—experimental, quasi-experimental and non-experimental (Welman & Kruger, 2004:69). According to Hope (2019), there are seven types of quantitative research designs, being descriptive research, correlation research, evaluation research, survey research, causal-comparison research, quasi-experimental research and experimental research. The first four research designs are non-experimental and do not require any intervention, while the last three are experimental. The non-experimental research design does not involve any intervention because data can be collected from the respondent's natural setting. Hence, no intervention was required for this study because SOR customers were visiting the SOR for their personal reasons and were not related to the study. Struwig

and Stead (2007:7) and Zhou (2018:10) consider the most common quantitative research design to be exploratory, descriptive, experimental or quasi-experimental and Struwig and Stead (2007:8) are of the view that a descriptive research design is suitable for studies that seek both similarities and differences in the units of study. This study, therefore, used the non-experimental research design, which is more suitable for field studies.

After finalising the research design, the identity of the respondents and their location was determined by secondary data (Saneva & Chortoseva, 2018:48; Zhou, 2018:10; Alada & Castaño, 2020:4). This study employed a descriptive research method, using a case study based on the work of Struwig and Stead (2007:8), where a descriptive study can be either a case study or a statistical method. In addition, Welman et al. (2005:193) are of the view that a case study has a limited number of units for analysis and does not refer to any specific technique that should be applied. For this study, the CTHSSOR customers were the unit of analysis. Lancaster (2005:124) and Indu and Vidhukumar (2020:65) refer to non-experimental research design as action-design, because it involves practical research that aims to solve real-world problems and where this study intends to solve a problem by contributing to existing customer perceptions of service quality in a SOR. To find ways to meet and exceed changing customer needs, a field study is performed in the respondents' natural environment and not in a laboratory (Welman et al., 2005:86). Because the study was conducted in a SOR restaurant and not a laboratory, this study was seen as a case study, based on the location and unit of analysis. A non-experimental research is also referred to as a descriptive research or case study (Goddard & Melville 2009:9; Indu & Vidhukumar 2020:66).

Identifying the research design, location and unit of analysis is not sufficient without explaining what data collection instrument is most suitable and when data will be collected. According to Welman et al. (2005:93), a non-experimental design uses survey designs to measure relationships between variables, such as age and gender. Welman et al. (2005:94-95) and Zhou (2018:9) advise of the three research designs that can measure variables at a single time. The first is the correlation design that measures two or more variables by analysing a group; the second design is the criterion-group design which measures two or more groups using the same variables and the last design is the cross-sectional design involving different groups to describe phenomenon. A longitudinal design can also be used by analysing the same group at different times. The longitudinal design was not considered for this study owing to time constraints and therefore the cross-sectional design was chosen. Non-experimental research designs can use survey questionnaires to collect primary data from a sample of respondents identified for a study, or an online survey where the participants are not available at the site of the study. The different data collection methods are discussed in the following section.

### **3.4 Data collection**

Data collection is a systematic process of collecting records or ideas to produce meaningful information by showing existing or lacking relationships. Data collection can be done using primary and/or secondary data.

#### **3.4.1 Secondary data**

Secondary data refers to primary data that have already been collected by others for other purposes and can be found in printed and electronic form. Various authors (Fox & Bayat, 2007:49; Wilson, 2014:189; Abutabenjeh & Jaradat 2018:238) state that one of the reasons researchers use secondary data is to establish whether they need to collect additional primary data by reviewing works of other authors with similar topics to identify possible gaps in the reviewed literature. Secondary data were collected from journal articles, YouTube videos, textbooks and electronic sources. Secondary data acts as a foundation for a researcher because it is existing knowledge to which a researcher can refer when preparing for a new study or to fill a gap in available literature. Secondary data were referenced using the CPUT Harvard format guidelines to ensure that all secondary data authors were acknowledged. This avoided plagiarism and ensured that readers of this study were able to refer to the initial author. A gap in the available literature was identified and therefore primary data needed to be collected.

#### **3.4.2 Primary data**

Pellisier (2007:32) defines primary data as “data collected by researchers to use for a project”. Tutorial Point (2018) suggests that primary data is original data because it comes directly from the respondents under study. Prior to collecting data, the research aims, and objectives were considered, whereafter the researcher’s ontology, epistemology and research design was decided to ensure that the research objectives were achieved, and questions answered. When deciding on the data collection instrument, the following research questions were asked in response to the research objectives.

- Q1** Who are the CTHSSOR customers?
- Q2** Which CTHSSOR service attributes influence current customers to return to the CTHSSOR?
- Q3** Which service attributes would make the CTHSSOR customer refer new customers to CTHSSOR?

In answering these questions, numerical representation was required; therefore, a quantitative data collection instrument was used to collect primary data. Fox and Bayat (2007:9) suggest utilising descriptive case study surveys to investigate respondents' views about a specific

matter unique to an organisation. Primary data were sought from CTHSSOR customers using a self-administered survey questionnaire. Primary data collection methods differ, depending on the research type (Wilson, 2014:152). Self-administered survey questionnaires were used because they provide an individual's view on the phenomenon being studied (Welman et al., 2005:149). There is usually a higher response rate for questionnaire surveys that are completed face-to-face than for surveys mailed, even though it is more time consuming (Blaxter et al., 2008:56). A survey questionnaire consisting of closed-ended questions was used (Creswell, 2014:17) because it was deemed appropriate for this study as it had more than one dependent variable. This was in line with Welman et al. (2005:92), who suggest that survey questionnaires are suitable for studies that consist of more than one dependent variable. One of the quantitative research methods that were not considered for this study was the observation method, which records the behaviour of the people being studied, as opposed to the survey questionnaire that collects data directly from people (Fox & Bayat, 2007:88). The data from the survey questionnaire presented to participants was analysed to respond to the research questions. Struwig and Stead (2007:86-88) discuss the quantitative data collection methods (said to be questionnaire studies) and how they can be distributed to the respondents.

#### 3.4.1.1 The survey questionnaire composition

The survey questionnaire was written in English because, according to Wikipedia (2011), 72% of people in Mouille Point, a suburb of Cape Town, speak English. Welman et al. (2005:176-177) advise against the use of technical terms or industrial jargon because it would result in inaccurate data collected. To prevent collecting inaccurate data, the different service styles noted in the questionnaire were briefly described to guide the respondents.

The survey questionnaire was constructed using past studies that sought to find the different customer segments and studies (Josiam et al, 2014:61-64; Al-Tit, 2015:132-133; Mhlanga, 2018a:6; Saneva & Chortoseva, 2018:69;49; Eresia-Eke, 2018:5) that aimed to measure service quality in a restaurant.

The survey questionnaire contained 26 questions. The first 14 questions addressed the first research question, which asked who are the CTHSSOR's customers. These responses enabled the researcher to identify the most common segmentation categories with the aim of dividing all customers into smaller groups. The most common segmentation categories are geographic, demographic, psychographic and behavioural. Some of the demographic questions in the study by Mhlanga (2018b:5) included gender, age, language and permanent residency. The segmentation questions were presented as closed-ended questions with multiple-choice responses from which the respondents were required to select the answer that was most applicable to them. Welman et al. (2005:152) opine that survey questionnaires are the best data collection instrument for collecting demographic information. Questions 1 to 12 were presented in a multiple-choice format and question 13 was presented as a ranking



question, asking respondents to rank restaurant attributes in order of importance when choosing a restaurant at which to eat.

The survey questionnaire included the tangible and intangible attributes of service quality, which was structured according to the 5 Ps of place, product, people, price and promotion. These were presented in 31 statements broken down into 5 for place, 7 for product, 7 for people, 7 for price and 5 for promotion, of the SOR and the service/products offered.

According to EPM (2018), there are 7 Ps in the marketing mix concept, also known as a service mix, which can be used by service providers to encourage and promote sales. The 7 Ps are product, price, place, promotion, people, physical evidence and processes. The 7 Ps model is said to be a suitable approach for the service sector to meet and exceed customer needs (Ivy, 2008:289). For the purpose of this study, a 5 Ps marketing mix was used to avoid duplicating data that the 7 Ps marketing mix would provide and to ensure that the survey was not too long. The process and physical evidence questions were combined with people and place. The process is carried out by people and so the processes and the staff/students rendering the services to customers were measured together. A similar methodology for place and physical evidence questions was followed.

The 5 Ps questions were presented in five Likert-scale format statements that are commonly used in social studies, owing to the ease of compilation (Welman et al., 2005:156). The scale used was arranged from 1 = "Strongly Agree" to 5 = "Strongly Disagree". A Likert-scale format is easy to complete and encourages customers to participate without worrying about wasting time. Customer expectations were not examined, as they would have been if the study followed the SERVQUAL measuring method because SERVQUAL measures both customer expectations and perceptions to find specific gaps in service quality.

The following section describes the sampling method and how data were collected

### **3.5 Population, sampling and data collection process**

Welman et al. (2005:52) defines a population "as a group of people or organisations that share identifiable common characteristics ". The population for a study is that group of people that from which conclusions about the study objectives are drawn (Abutabenjeh & Jaradat 2018:243). Qasim (2019) defines population as "the total number of the study's potential respondents". The population of this study comprised all the CTHSSOR customers with the common characteristic of choosing to eat at the CTHSSOR. Collecting data from all these customers would have been impossible as it is unknown how many customers visit the CTHSSOR at any specific time. Cost was a factor because it would have been expensive to analyse a large number of surveys. Therefore, a sample was selected. Sampling is selecting

a small portion of the population, in contrast to the census data collection method that collects data from the whole population (Welman et al., 2005:101).

### 3.5.1 Sampling

Sampling saves time and money that would be used in cases where a large population participated in a study.

There are two sampling techniques—probability and non-probability sampling. With probability sampling, individuals who represent the population have an equal chance of being chosen to partake in a study, while in non-probability sampling there is no equal chance of participating (Fox & Bayat, 2007:58; Ortlieb, 2017). There was no list of customers from which a sample could be selected, therefore a non-probability sampling technique was used.

The most common non-probability sampling types are convenient sampling, also known as accidental sampling, snowball sampling and quotas (Welman & Kruger, 2004:62; Fox & Bayat, 2007:59; Bryman et al., 2014:179;). As suggested by Josiam et al. (2014:58), a convenient sampling method was used for this study. Welman et al. (2005:67) describe accidental sampling as the most convenient non-probability sampling method and it was deemed suitable for this study.

Sample methods differ between authors (Mhlanga, 2018a:4). For example, in Mhlanga's study, five restaurants at the OR Tambo International Airport were exempted from the study sample due to the type of service they offered, being that they did not provide seating for immediate consumption. In the study of Saneva and Chortoseva (2018:48), restaurant sampling was based on location, number of employees, capacity of the restaurant and restaurants that had been operational for a year. To guarantee equal representation, Mhlanga (2018a:5) used proportional stratified random sampling, calculating 25% of each restaurant's seating capacity during lunch and dinner to find the sample size for the particular restaurant. The population of this study was estimated to be 2 400, based on the restaurant seating capacity of 100 customers per serving period, and the restaurant operating six days a week. The sample size for this study was 100 targeting customer who visited the SOR between February 2019 and February 2020.

### 3.5.2 Sampling: random, convenience and online surveys

Survey questionnaires were emailed to all customers on the list provided by the CTHSSOR Functions Coordinator. Welman et al. (2005:152) warn that surveys completed away from the area of study run a risk of being incomplete because there is no one to assist with clarifying questions. A pilot study was conducted to identify any restaurant jargon on the survey questionnaire that could be simplified. Ambiguous questions were omitted to mitigate the risk of incomplete survey questionnaires. Online survey questionnaires are accommodative

because respondents can participate when it is convenient. The customers who used the SurveyMonkey® link completed the questionnaire online at their convenience and no consent letter was given to them so sign, as this would be an inconvenience to them. The survey questionnaire was approved by the supervisor and the Ethics Committee of the Faculty of Business and Management Sciences of CPUT, on the basis of questions addressing all the study objectives and questions.

### **3.6 Area of study**

Data were collected from a list of customers who had previously eaten at the CTHSSOR, which is a department in the Business and Management Sciences Faculty at CPUT. It is located on the Atlantic Seaboard in the Mouille Point suburb of Cape Town, at 48 Beach Road.

### **3.7 Reliability and validity**

Wilson (2014:336) defines reliability as the degree to which “repeat methods followed by the researcher under constant conditions will yield the same results”. Validity refers to the degree to which a study accurately reflects the specific concept that a researcher proposes to measure (Wilson, 2014:337). Pellissier (2007:12) opines that a valid measure must be reliable, although a reliable measure does not need to be valid.

### **3.8 Pilot study**

A pilot study is a process used to test the data collection instrument to identify defects and unclear questions on the data instrument (Welman et al. 2005:148). Malmqvist et al. (2019:2) opine that pilot studies can be referred to as feasibility studies because their main purpose is to ensure that the data collection method is practical and aligned to the research questions. A feasibility study is part of the research plan (Malmqvist et al. 2019:2). A pilot study was conducted using eight survey-participants and collecting data from CTHSSOR staff prior to the intended survey. Ambiguity was noted as one of the errors that required the question to be re-written.

### **3.9 Ethical considerations**

The researcher was granted ethical clearance by the Ethics Committee of the Faculty of Business and Management Sciences at CPUT to conduct the study (see Appendix A). Data for this study was collected from CTHSSOR customer mailing list, with permission from the Operations Manager (see Appendix B). The identity of participants was protected, and anonymity assured as no personal identifiers were requested in the survey questionnaire. Participants were made aware that participation was voluntary and for academic research purposes only and that findings would be reported accurately and honestly. Plagiarism was avoided by strictly referencing all secondary sources, and a Turnitin test was completed.

The following chapter, Chapter 4, analyses and interprets the data to answer the research questions.

## **CHAPTER 4**

### **ANALYSIS AND INTERPRETATION OF DATA**

#### **4.1 Introduction**

Chapter 3 discussed the research design, measuring methods, population, sample and the research area. The descriptive research design used a survey questionnaire as the measuring instrument, which was distributed via email to customers.

The study's primary data is analysed, interpreted and presented graphically in the format of tables and graphs for ease of understanding. The primary data were interpreted by comparing this study to past research using secondary data. In the next section, the data collection instrument is discussed and how the questions are linked to the research objectives.

#### **4.2 Research instrument**

The survey questionnaire consisted of 26 questions, which sought to answer the research questions. Of the 26 questions, 20 aimed to identify customer characteristics, specifically regarding the CTHSSOR and the remaining six questions sought to discover customers' perceptions of the CTHSSOR 5 Ps. The survey is logically structured, and the findings are presented according to the research objectives, although some studies organise findings into specific sections (Nxumalo, 2017:85). Questions 1 to 8 and 14 asked for demographic characteristics of the respondents, while customer psychographic characteristics were asked in questions 9, 12, 13, 15, 16, 19 and 22. Behavioural information was sought from questions 10, 11, 17 and 18. All the demographic, psychographic and behavioural questions were designed for multiple-choice responses. These questions were relevant to the first research objective (see Section 4.5.1), requesting information from participants to enable the researcher to create a customer profile.

The second objective of the study (Section 4.5.2) was to evaluate service attributes that promote customer patronage and retention. The third and last objective of the study (Section 4.5.3) was to determine the service attributes that would influence existing SOR customers to refer new customers. Objectives 2 and 3 are interlinked, since all businesses, including SORs, need to establish customers' needs and how to meet them. When a business discovers customer needs and meets and exceeds these needs, a competitive advantage is achieved, which ultimately leads to customer retention.

To evaluate service attributes that promote customer patronage and retention, the restaurant attributes were divided into five marketing mix "Ps". Four questions were divided into 26 Likert-style statements according to the four "Ps" of marketing—Product (7), Place (5), Price (7) and People (7). The 26 statements were divided into questions that were presented in scales measured from 1 to 5 on the questionnaire. The fifth "P" was Promotions and consisted of two

multiple choice questions that allowed respondents to select more than one answer and an additional option to add something if their answer was not listed in the survey.

#### **4.3 Data collection process**

The survey questionnaire was distributed electronically via SurveyMonkey®, a system that provides multiple options to distribute surveys, such as Web Link, email, buying targeted respondents, websites and manual data entry. SurveyMonkey® provides a link that directs the user to the survey questionnaire.

Using an online data collection method saved the researcher travelling time and was practical because most people were at home during the COVID-19 lockdown period. Thomas (2017:5) suggests that online surveys are suitable for segmentation studies because the respondents can complete the survey at a time suitable to them and can give the survey instrument their undivided attention.

A study by Sorman (n.d.) recommends the following five ways to encourage target participants to complete a survey:

- Making the survey available online where they can complete it at their convenience during the peak response time;
- Keeping the survey short;
- Offering an incentive;
- Ensuring that all questions are clear, and
- Following up on respondents.

Sorman (n.d.) suggests that the peak response time is Thursdays and Fridays between 7am and 1pm. Surveys were distributed via email to 395 people on the CTHSSOR list of patrons. However, only 64 responses were returned, and two surveys were not completed, which resulted in 62 usable responses that could be analysed for this study. This poor response rate was despite a number of requests for additional responses, and is certainly linked to the Covid-19 lockdown.

#### **4.4 Data analysis process**

Data analysis is a process that follows after the process of data collection. In this study, primary data were collected to answer the research questions that arose from the research problem. According to Trochim (2020), the data analysis process involves the three steps of cleaning the data, describing the data and testing the hypotheses. The type of research design contributes to the data analysis process. A univariate analysis examines distribution of one variable by identifying low or high values (Mooi et al., 2018:103). A univariate analysis was

completed by selecting a variable and describing findings based on the high and/or low distribution of customer perception of service attribution. Univariate analysis refers to the observation of only one research variable and describing the research variable based on the findings, for instance, observing the highest represented age group, or the least represented group.

#### 4.4.1 Cleaning and organising the data for analysis

Data cleaning involves checking the primary data for accuracy and that incomplete surveys were not included. Two surveys of the 64 responses were excluded from the study because they were incomplete. SurveyMonkey® was used to collect data electronically therefore there was a need to enter all data into a computer. SurveyMonkey® allows data to be downloaded to Microsoft Excel.

#### 4.4.2 Describing the data

This stage of data analysis involves summarising data from all the participants into a graph, table and/or chart. Welman et al. (2005:231) indicate that descriptive studies use descriptive statistics to analyse data. Mooi et al. (2018:110) opine that describing data can be univariate or bivariate and presented in graphs, tables and statistics. Microsoft Excel was used to analyse data using univariate and bivariate methods. Average differences and percentile differences were noted to meet research objectives. Averages of each of the marketing mix Ps (product, price, place, people and promotion) were compared to determine the marketing mix P that had the lowest average or the highest average and then compared to previous studies to find similarities or differences.

#### 4.4.3 Testing hypotheses

Testing of hypotheses can only be done in a study that has a hypothesis and therefore is not applicable in this study, which contains research questions and research objectives. Therefore, the findings answer the research questions to establish whether the research objectives are met. The aim and objectives of this study are explained in the next section.

### **4.5 Aim and objectives of the study**

This study's findings will contribute to the body of knowledge in the service-rendering economic sectors, such as the hospitality and education sectors, where the findings of the study could benefit hospitality training institutions and SOR hospitality establishments. The problem identified was whether the changes in household characteristics have resulted in changed customer needs. The customer needs addressed in this study were relevant to the hospitality and education industry (the CTHSSOR) and the aim of the study was to investigate customer perceptions of service quality in the CTHSSOR. Investigating customer perceptions in a SOR

is a broad area, therefore, objectives were established to focus the study and ultimately research questions were constructed.

The next section discusses the questions related to the first objective of the study.

#### 4.5.1 Objective 1: Identify the different customer segments

The aim of the research was to investigate customer perceptions of service quality in SORs, to close the gap in the existing knowledge of customers' needs and to improve SOR training, which would improve the service the SOR offers to its customers. This section describes customers' responses to questions asked in the survey questionnaire relating to the first objective.

##### 4.5.1.1 Identify CTHSSOR customers through customer segmentation

The findings depicted in Table 4.1 are some of the most important answers to the research question of Objective 1, which was to identify the segments that represented the CTHSSOR customers. The main question asked in the first objective was 'Who are the CTHSSOR customers?' The identification of customers is a vital process that product and service providers could follow to meet customer needs while reducing costs. Dogan et al. (2018:2) aver that customer segmentation can prevent the wastage of market resources and reduce the failure of customer loyalty programmes because marketing efforts are directed at the targeted market only.

The findings of the current study indicate that the majority of the respondents at the CTHSSOR are female (66%). This is similar to Josiam et al.'s (2014:59) study on a SRR in the USA, which found that 68% of respondents were females but in contrast to Mhlanga's study (2018a:6) conducted in airport restaurants, where the findings show a gender split of 55% male respondents and 45% females. Mhlanga et al.'s (2015:761) study on restaurants in the Knysna Waterfront shows an equal distribution of males and females but targeted tourists only—suggesting that couples go on holiday together. The type of restaurant could be the reason why gender representation varies, although the current study at CTHSSOR, and in the study by Josiam et al. (2014:59,) gender representation was similar. The age of the CTHSSOR respondents was also of importance.

Dixon et al. (2018:109) claim that understanding a customer's generation could contribute significantly to restaurant profitability strategies. The majority of the CTHSSOR respondents were between 25 and 44 years of age (66%). The 25 to 34 year age group comprised 42%, followed by the group over 45 years of age (32%) and the 35 to 44 year age group (24%). The smallest group was respondents aged between 18 and 24 years (2%). The findings of this study suggest that Millennials formed the majority of CTHSSOR respondents, followed by Generation X, based on the age ranges of respondents. The SOR generation categories were



adopted from a study by Dixon et al. (2018:109-110). According to Dixon et al., Millennials were born between 1980 (40 years old in 2020) and 1995 (25 years old in 2020), while Generation X individuals were born between 1965 and 1980. Masa (2017:394) observed a growing market for Millennials in the Philippines and restaurants adjusted their product and service offerings to accommodate their evolving restaurant needs. Masa's (2017) observation is in congruence with the findings in this study, where the respondents were dominated by Millennials. In Mhlanga's (2018a:6) study at airport restaurants, the majority (25%) of respondents were between 35 and 44 years, followed by those between 25 and 34 years (18%). Mhlanga et al.'s (2015:761) study on Knysna waterfront restaurants found that the majority of respondents (25%) were aged between 45 and 54 years.

Pertaining to marital status of respondents, 51% were single. The majority (52%) of customers were external to the CTHS and did not work for CPUT. Most participants indicated that their household included a child, grandchild, grandparents, parents or other family members. People who lived with romantic partners comprised 24%, lived with a child (24%), 19% lived on their own, while the remaining 33% was made up of various groupings.

Customer perceptions differed significantly by age, as found by Josiam et al. (2014:61). They reported that younger patrons placed a much higher value on the menu choices available, payment methods, price and food portions than older customers did. According to Josiam et al. (2014:56), customers above 55 years of age are less price sensitive than customers younger than 55 years old, so it is suggested that the customer's age is an important indicator of customer needs.

The education sector (27%) and hospitality sector (23%) were representative of most respondents. It was important to ascertain whether respondents worked in the education or hospitality sector because CTHSSOR represents both sectors and is a learning environment of the hospitality discipline. People with work experience in a particular field tend to be more aware of the field's 'behind-the-scenes' challenges, and their perception of service quality is influenced by their work experience or insight.

The home language of the majority (29%) of respondents in airport restaurants was English (Mhlanga, 2018a:6). The CTHSSOR customers were asked in which language they preferred to communicate, the reason being to inform them of promotions in their preferred language. Although the CTHSSOR customers' home language was not important in this study as the CTHS teaches in English, the responses show that 89% prefer to communicate in English. It is important to communicate with customers in their preferred language to avoid misunderstandings between a customer and staff or students.

**Table 4.1: Customer demographics**

<b>Demographics</b>	<b>N</b>	<b>%</b>
<b>Gender</b>		
Female	41	66%
Male	21	34%
<b>Age</b>		
18-24	1	2%
25-34	26	42%
35-44	15	24%
45-54	6	10%
55-64	9	14%
65+	5	8%
<b>Household characteristics</b>		
Child	7	11%
Parent	5	8%
Roommate / Friend	3	4%
Romantic partner	15	24%
Child & romantic partner	15	24%
Parent & grand parent	1	2%
Parent & romantic partner	1	2%
Child & grand child	1	2%
Parent & child	1	2%
Grandchild & parent	1	2%
None of the above	12	19%
<b>Relationship status</b>		
Married	27	44%
Single	32	51%
Widowed	2	3%
Divorced	1	2%
<b>Internal or external customer</b>		
CPUT Staff	25	40%
External delegate (not CPUT employee)	37	60%

According to Struwig and Stead (2007:154), the different demographic categories are called nominal scale responses and the groupings only seek to categorise but not to rank participants. Customer demographics in this study were discussed to discover the group that was most represented. The next section discusses SORs as compared to other types of restaurants.

#### 4.5.1.2 Student-operated restaurants

In Chapter 2, different types of restaurants were discussed and the customer needs that the type of restaurant could meet. Different restaurants operate in different places at different times to accommodate different customer needs. This section discusses what a SOR is, where the SOR is situated, who operates it, how does it operate and when does it operate. Josiam et al.

(2014:49) describe a SOR as a learning environment or hospitality management programme for students to prepare and serve meals. Kellner (2015) states that “Food for Thought” is a SOR at the East High School in Duluth that equips students who wish to pursue culinary-related programmes in higher learning institutions. The CTHSSOR is situated on campus at CPUT and is operated by hospitality management students, providing different service types to paying customers.

Josiam et al. (2014:51) aver that SRRs in the United State of America (USA) offer buffet services but the majority offer full-service dining experiences. Full service can be compared to the *à la carte* and set menu services because they both offer service to seated customers. Mhlanga et al. (2014:4) distinguish formal full-service restaurants from other types of restaurants because gastronomy menus offer sophisticated services, elegant ambience and liquor service. Dixon et al. (2018:107) identify two formal restaurants characteristics similar to full-service restaurants, ordering food and beverages (may include alcoholic beverages) from a waiter or waitress while seated and then paying after eating. CTHSSOR provides a buffet and butler service that does not involve customers ordering from the waiter while seated. This implies that the CTHSSOR cannot be described as a full-service restaurant on the occasions when it does not render an *à la carte* or set menu service.

Dixon et al. (2018:108) describe three types of restaurants (family dining, casual dining and fine dining) that are similar to a SOR’s service offering. Family dining offering table or buffet services are good value, by discounting products that appeal to all family members, for instance discounted family or children’s meals. Casual dining offers a full table service, by a waiter and could include beer, wine or other liquor. Fine dining restaurants offer a full service, with tablecloths and serviettes, good crockery and cutlery and alcoholic beverages (Dixon et al., 2018:108). Fine dining is usually more expensive than restaurants that offer full table service by a waiter and alcoholic beverages. It can be concluded that the full service and table service are conducted in the same way because food and beverages are served at the customer’s table while the customer is seated (Dixon et al., 2018:108).

The *à la carte* service consists of a menu with a list of dishes categorised according to the restaurants’ courses, such as starter, main meal and dessert, with each dish individually priced. This service permits customers to select food items from the list of dishes presented on the *à la carte* menu and the patron pays only for the dishes consumed. An *à la carte* service style is one of the most popular restaurant services and involves dishes plated individually and presented at the customer’s table. It is suitable for customers in small groups of not more than 20 adults, either celebratory family gatherings or business meetings.

The “Food for Thought” SOR at the East High School in Duluth allows customers to make a reservation 24 hours in advance, with their menu selections (Kellner, 2015). “Food for Thought”

offers an *à la carte* service similar to that provided by CTHSSOR but is operated by high school students, in contrast with CTHSSOR that is operated by university students. The “Venu Restaurant” is a SOR in Melbourne, Australia, at the Victoria University, which also offers an *à la carte* service, similarly to CTHSSOR (Victoria University, n.d). The *à la carte* service is more labour intensive for both kitchen and service staff because meals are individually plated and is therefore quite expensive relative to other forms of service.

A buffet consists of a variety of meal items on display from which customers select dishes, serve themselves, then eat the food at their tables. This is a cheaper option than fine dining or *à la carte* meals. A buffet service is suitable for individuals or bigger groups such as business meetings, conferences or weddings and a benefit is that the price is fixed.

Kim and Choi (2019:2) report that there are three types of all-you-can-eat buffet restaurants, categorised as Hotel Buffet Restaurants (HBR), Specific Buffet Restaurants (SBR) or Casual Buffet Restaurants (CBR). The categories are determined by the type of food served and price. The HBR is the most expensive, offering a variety of luxury foods; the SBR offers a limited menu at a medium price, while the CBR is the cheapest. CTHSSOR offers a Sunday-specific buffet menu on many weekends and different buffet menus based on customers’ needs (budget and/or menu variety).

The buffet service involves a minimum of customer and staff interaction because staff only clear used cutlery, crockery and glassware from the customer’s table when it is no longer required. This influences the cost of the meal. Mhlanga et al. (2014:5-6) studied the effects of restaurant attributes in full-service restaurants in Port Elizabeth, to establish the attributes that are most important to satisfy customer’s expectations and experiences. Their findings revealed that customers had higher *service* expectations than *food* expectations and that customers considered *food quality* to be more important than *service quality*.

A butler-style service offers a variety of finger-foods on serving platters carried by service staff that walk around the service area, allowing customers to choose food items at random. The butler service is suitable for small or private functions, networking and/or socialising events, where customers are not seated. The event organiser is responsible for paying the function account for all the customers. This type of service is usually planned in advance. The food items offered are decided upon between the event organiser and the provider before the event.

The set menu service style has a fixed price and could offer one or more food choices. With a set menu service, customers are served the different courses at the same time, for example, the starter is served to all customers simultaneously, followed by the main course, followed by the desert course. Set menus are suitable for weddings, business events or themed events such as wine tastings. Josiam et al. (2014:51) differentiate SORs from commercial restaurants because of their operating times and note, “SORs usually operate only on weekdays and close

during shorter summer seasons". For example, Kellner (2015) partly agrees with the above notion, stating that "Food for Thought" only opens for lunch on Tuesdays, Wednesdays and Thursdays during the school year. The operating times at the CTHSSOR are similar to those of a commercial restaurant because Tuesdays to Sundays and Mondays are training days.

SORs deliver services and products to meet different customer needs, which is evident based on the different places where SORs are found, the different student qualification levels and the different times that they are open to trade. Having identified the customer segments based on the findings of this study and also describing the CTHSSOR characteristics, the following section discusses customer perceptions of service quality at the CTHSSOR.

#### 4.5.1.3 Customer perception of service quality at the CTHSSOR

Customer perceptions of service quality were investigated using a survey questionnaire because the research design chosen for this study was non- experimental and quantitative. Several authors have studied service quality in the hospitality sector using different research methods. Nethengwe et al. (2018:8) used semi-structured questions consisting of tangible and intangible service quality interviews to determine customer and manager's perceptions of service quality in a lodge. Nguyen et al. (2015:82) investigated "the impact of service quality components of customer satisfaction in Vietnamese hotel businesses" using a survey questionnaire and the SERVQUAL approach. Nxumalo (2017:77) used a modified DINESERV dimension to explore "the influence of service quality on post-dining behavioural intentions of customers".

The Chartered Institute of Marketing (2009:4) reports that successful marketing requires businesses to use the 4 Ps, namely product, price, place and promotion. The 4 Ps contribute to the sale of a product, the price of the product, how customers will hear about the product and how customers will access the product. The current study used the 5 Ps to investigate customer perceptions of service quality, the 5 Ps being product, price, place, promotion (the same as the 4 Ps) with the additional "P" that represents people. Measuring 4 Ps only would not have provided sufficient customer perceptions because a SOR is different from a commercial restaurant as it is operated by students, in contrast to a commercial restaurant that is operated by employees who generally have more work experience than students do. Ugonna et al. (2017:81) used the 7 Ps (product, price, place, promotion, people, process and physical evidence) of the service marketing mix to investigate the relationship between the application of the 7 Ps by restaurateurs and customer retention. The 7 Ps of service marketing were not used for this study because there are two Ps (process and physical evidence) that could be merged with place and people. The process and people were merged because the restaurant service processes are carried out by people. The physical evidence and place restaurant attributes were merged with place, referring to the restaurant facilities.

Customer perceptions of service quality may be influenced by the type of service styles the customer experienced, so for this study service attributes were divided into the five marketing mix elements of product, place, price, people and promotions, which were used to measure customer perceptions of quality at the CTHSSOR.

#### 4.5.1.4 Product (the food at the CTHSSOR)

Without exception, the main restaurant service attribute is the food on offer. Nwokah and Adiele (2018:2) opine that food is the main indicator of customer loyalty and an element in ascertaining a restaurant's quality. Customer perceptions of food quality were measured using menu variety, food presentation, food flavour (Prabha, 2012:7), portion sizes, food temperature, food freshness and dietary requirements. A follow up question was asked to establish the different diets that customers follow, to establish what the most popular diet is and whether this could profitably be offered at the CTHSSOR. The dietary options were found to be vegan, vegetarian, dairy-free, gluten-free and religious restrictions. Participants were requested to specify their religion, as well as their food allergies. According to the findings of Verma and Gupta (2018:41), customers showed satisfactory perceptions of dietary requirements that met their expectations. Thomas (2017:3) reports that customer dietary habits differ, based on the occasion. Thomas adds that some people's dietary habits are different in the morning, on special occasions, on weekdays and weekends. CTHSSOR customer perceptions of food quality are summarised in Table 4.2.

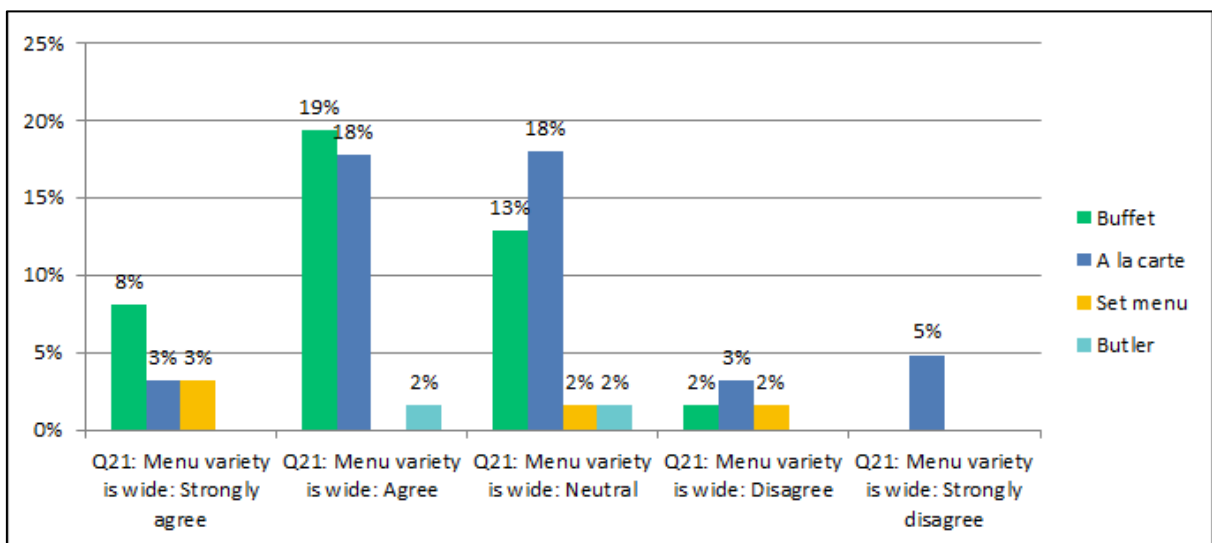
**Table 4.2: Customer perceptions of food quality**

Customer perceptions of food quality	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	N
Menu variety is wide	15%	39%	35%	6%	5%	62
Portion sizes are satisfactory	23%	58%	14%	3%	2%	62
Food presentation is attractive	44%	40%	13%	3%	0%	62
Food is flavoursome	34%	48%	15%	3%	0%	62
Food temperature is correct	27%	53%	18%	2%	0%	62
Food is fresh	40%	42%	13%	3%	2%	62
The dietary requirement was met	29%	53%	18%	0%	0%	62

Food presentation had the highest quality perception at 84% (strongly agree and agree with the statement), while the second highest quality perception was 82% for the freshness and flavour of the food, including that it met dietary requirements. The CTHSSOR findings are consistent with those of Shahzadi et al. (2018:646), who found that the importance of food presentation was higher than the perception of how the food was presented. This gap suggests that the CTHSSOR could enhance the way the food is presented.

The majority of customers (81%) agreed that food portions were satisfactory. From the overall customer perceptions of food presentation, it can be concluded that the food quality offered at the CTHSSOR is positive, with an average positive perception of 78%. According to Prabha (2012:7), the lowest rating was food quality and the highest was food freshness and food presentation combined. The CTHSSOR lowest positive perception of only 53% was for the menu variety. In a study conducted in Malaysia seeking the consumption intentions to consume ethnic food, the findings show that health benefits and sensory appeal (taste, smell and attractiveness) of ethnic food was an antecedent to consumption intention (Ting et al., 2017:21), so it can be noted that the positive perception of food presentation can influence the intention to purchase. Masa (2017:394) asserts that visually attractive food can be easily marketed to tourists, who identified and shared the food.

The menu variety had the highest negative perception at 15% of customers but it was not clear from the data gathered whether the negative response was based on respondents' restaurant service preference or on some other criteria. Figure 4.1 depicts a correlation between customer perceptions of the different types of menu with the customer's preferred service, to try to establish any significant relationship.

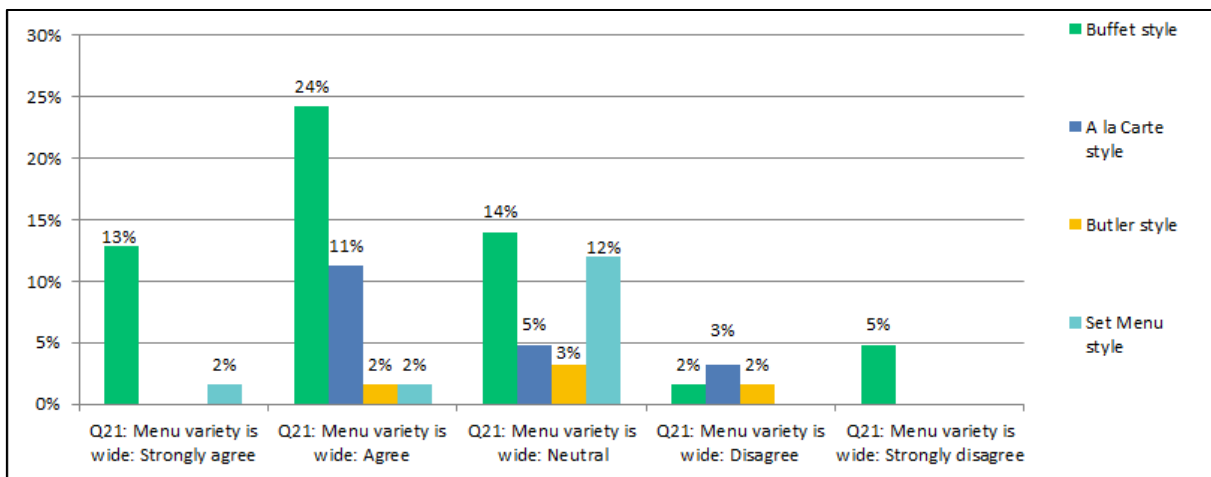


**Figure 4.1: Menu service preference**

Figure 4.1: presents perceptions of menu varieties compared to customer service type preference. When customers were asked which service type they preferred, the majority (47%) preferred an *à la carte* service style, while 42% preferred a buffet style service. Only 7% of respondents preferred the set menu service type and the butler service style was the least preferred service style at 4%. The buffet service style consists of a choice of starters, main meals and desserts, all for one set price, whereas with an *à la carte* menu items are priced individually. This suggests that a buffet offers more variety than an *à la carte* service and it is

possible that the menu variety perception could have been influenced by menu options that were not appealing to the participants, who therefore perceived the menu as lacking variety. Josiam et al. (2014:66) recommended broadening menu variety based on customer perceptions. The CTHSSOR findings suggest that 8% of respondents that preferred the *à la carte* service type, perceived the menu to lack variety and the majority (27%) of customers who preferred the buffet service style agreed that the CTHSSOR menu offered a wide variety of choices.

Figures 4.1 and 4.2 suggest that customer perceptions of menu variety are influenced by the service type. The customer perceptions of restaurant products cannot provide a holistic view of restaurant service quality; therefore, the restaurant facilities need to be discussed.



**Figure 4.2: Service styles experienced**

#### 4.5.1.5 Place (the restaurant facilities at CTHSSOR)

‘Place’ refers to the restaurant facilities at the CTHSSOR. A conceptual paper on dining experiences in themed restaurants by Masa (2017:397-399) discussed the physical environment attributes of a restaurant that must be considered carefully to enhance customer experiences. The physical environment attributes of the restaurant that Masa (2017:397-399) referred to were the dining area decor, cleanliness, the colour scheme used, the relationship with branding, furniture, cutlery and crockery, temperature, lighting, smell, music tempo and volume, furniture layout allowing staff and customers to move around with ease and the ease with which visitors can enter and leave the restaurant. The restaurant facility attributes measured in this study did not mirror those of Masa (2017:397-399). CTHSSOR customer perceptions were investigated using five basic elements of restaurant facilities. The five basic elements of the restaurant facilities were chosen based on past studies of restaurant service quality (Mhlanga, 2018a & 2018b). Customers were asked if it was easy to find the restaurant, if parking space was sufficient, how they rated the cleanliness of the toilets and the dining area



and lastly, customers were requested to indicate whether they felt safe and secure while they were at the CTHSSOR.

**Table 4.3: Customer perceptions of restaurant facilities**

Customer perceptions of restaurant facilities	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
Easy to find	44%	34%	16%	3%	3%	62
Adequate parking	66%	24%	7%	0%	3%	62
Clean toilets	53%	38%	3%	3%	3%	62
Clean dining area	57%	37%	3%	0%	3%	62
Safe and secure	66%	29%	2%	0%	3%	62

Customers perceived safety and security to be the most positive (95% strongly agreed and agreed) attribute of the restaurant facility, while the least rated attribute was the ease of locating the CTHSSOR (78%). This result is an opportunity for the CTHSSOR to improve ease of locating the facility by erecting more signage. Verma and Gupta (2018:41) found that students' decisions to dine in a casual restaurant was predominantly influenced by the pleasant aroma inside the restaurant, how convenient it was to access the restaurant, the good lighting inside the restaurant and the soothing music.

The findings of Mhlanga (2018a:7) indicate that the "highest experience scores are an easily readable menu, clean rest rooms and clean dining areas" in the airport restaurant. This is similar to the CTHSSOR findings that also show a high perception of cleanliness in the dining area (94%) and toilets at 91%. However, this is in contrast to the findings of Nxumalo (2017:91), where cleanliness was perceived to be the lowest attribute by customers, although it was not stated what cleanliness was measured. It can be concluded that customers expect to find restaurants in a clean state. The average level of agreement about the CTHSSOR facilities is relatively high at 90%, suggesting excellent quality perceived by customers.

#### 4.5.1.6 Price (of the CTHSSOR service)

The customer's perceptions of the prices charged for the service and/or product that they are buying is important for any business owner who needs to establish whether the customer is willing to pay the price that they are being charged. EPM (2018) suggests that a high price can be associated with products and/or services that are superior (for example, in South Africa the Woolworths brand), owing to the ambiguity that products/services could present.

Table 4.4 summarises the findings relating to customer perceptions of prices charged at the CTHSSOR.

**Table 4.4: Customer perceptions of prices and payment methods**

Customer perceptions of prices and payment methods	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	N
Payment method is convenient	47%	40%	13%	0%	0%	62
The food quality was good for the price I paid	38%	42%	18%	0%	2%	62
The bill is error-free	45%	42%	13%	0%	0%	62
Paying more than I budgeted	8%	13%	37%	31%	11%	62
Food is expensive	6%	6%	49%	36%	3%	62
Beverage is expensive	19%	12%	48%	19%	2%	62
I would be interested in a loyalty programme	23%	32%	26%	14%	5%	62

The data presented in Table 4.4 suggests that the highest positive response of 87% is for convenient payment methods, while 87% of customers indicated that their bill was free of errors. This result aligns with Nxumalo's (2017:72) finding that customers perceived service to be accurate but is contrary to that of Mhlanga (2018a:7) who reported a negative perception for accuracy of service. The findings depicted in Table 4.4 show that 87% of customers agreed that students served the correct order. However, this could be reflective of beverage orders because 58% of customers experienced a buffet service style, where only beverages can be ordered because food is displayed for customer self-service.

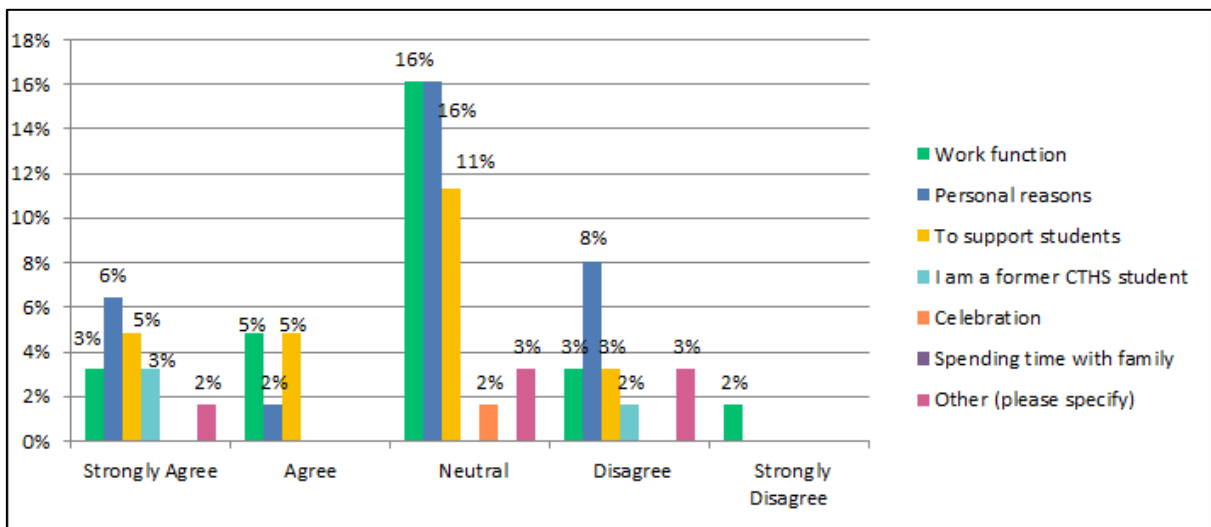
Customers who perceived food to be expensive comprised a mere 12% of participants who strongly agreed and agreed with the statement, while 39% disagreed and the majority of 49% were neutral on the statement. The neutral response could be because the respondents were not responsible for settling the bill or perhaps the majority of customers were not price-sensitive. The findings of Saneva and Chortoseva (2018:50) showed that customers perceived the handling of special requests by restaurant staff to be lower than they expected. When customers communicate their special requests to service staff they expect the request to be met, such as guests asking for a beverage with no ice, or water at room temperature. If such requests are not fulfilled it results in disappointed customers.

The CTHSSOR customers found good value in the food for the price they paid, with an overall positive reaction of 81%, meaning that 81% of customers perceived the quality of the food worth the price that was charged. An average of 54% of the CTHSSOR customers were positive regarding prices and payment methods. The majority of customers (31%) perceived beverages as expensive, while 21% thought the prices were fair. Respondents in Shahzadi et al.'s (2018:647) study on a fine dining restaurant perceived that the prices charged were high

for what they actually received, suggesting less value for money. Unfair price charges were also perceived by some CTHSSOR customers. In addition, Mhlanga et al. (2015:5) reported higher perceptions than expectations of overall value for money in restaurants in Cape Town, based on online customer comments.

Relating to beverage prices, customers who visited the CTHSSOR for personal reasons were the most represented at 32%, followed by 29% who visited for work reasons and 8% who visited for both personal and work reasons, all agreeing that beverage prices were expensive. A significant distribution of more customers who disagreed that beverages were expensive were customers who visited the CTHSSOR for personal reasons. The highest positive customer perception was payment convenience, while the lowest was beverage prices. These data present the CTHSSOR management with an opportunity to investigate the most preferred beverages and how beverage prices can be reduced to meet customer expectations. Customer perceptions of product, place and price are significant to assess service quality in a restaurant, however, the way the service is provided plays a vital role.

The next section discusses customer perceptions of the service carried out by the student.



**Figure 4.3: Perceptions of beverage prices**

#### 4.5.1.7 People

“People” in this study refers to the CTHSSOR students that provide the service. The highest quality perception of how students provide a service was 87% for error-free service, aligning with the 87% of error-free billing related to the price service attribute. Related positive findings in airport restaurants, accurate billing and error-free served orders is confirmed by Mhlanga (2018a:10).

As shown in Table 4.5, customers generally agreed that students were approachable (85%) and the lowest quality perception (63%) was for customer-needs anticipation by students. Customers were of the view that students were confident and comfortable when communicating (76%), 71% of customers agreed that students are knowledgeable, while 74% were impressed by prompt service, with 63% praising the students for paying attention to special requests. Ugonna et al. (2017:79) assert that management’s positive treatment of front line employees will result in better treatment of the organisation’s customers. Treating employees well could include equipping them with the skills and resources they need to perform their duties effectively. The findings suggest that students could be trained in more ways to engage with customers courteously, pay attention to customers’ special needs and anticipate their needs during service.

**Table 4.5: Customer perceptions of students’ service**

Customer perceptions of prices and payment methods	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	N
Approachable	32%	53%	12%	3%	0%	62
Knowledgeable	21%	50%	23%	6%	0%	62
Student anticipated my needs	16%	47%	27%	8%	2%	62
Student gives prompt service	16%	58%	23%	3%	0%	62
Student pays attention to special requests	24%	45%	28%	3%	0%	62
Student served the correct order	31%	56%	13%	0%	0%	62
Student is confident and comfortable to communicate	23%	53%	17%	5%	2%	62

CTHSSOR customers rated the place (the CTHS restaurant) the highest (90%), followed by the product served (the food at 78%). However, customers rated the service offered by the students at only 75%, the second lowest rating of the range of offerings at the CTHSSOR.

The final service attribute to be discussed is promotion.

#### 4.5.1.8 Promotion (how to ‘sell’ the CTHSSOR)

According to Ehmke et al. (2013:5):

“Promotion refers to the tools an organisation uses to advertise its services, events and products to customers. Promotions might include free samples, coupons, loyalty programs, prizes and rebates”.

Customers were asked whether they would be interested in a CTHSSOR loyalty programme and 54% showed interest. The restaurant-promotion attribute was investigated to establish

how customers learned about the CTHSSOR and also the media platform they utilised most often. The top five media types that customers used most often were Facebook (21%), Instagram (11%), a combination of Facebook and Instagram (6%), a combination of Facebook, Instagram and Twitter (5%) and finally, Twitter was used by 5% of the respondents. The majority of customers selected more than one media type they used often and the most selected media platforms are Facebook selected 26 times, Instagram (14), television (13), radio (10) and Twitter (7). These findings highlight the best media platform the CTHSSOR could use for marketing and advertising.

The independence of WOM marketing influences customer purchasing decisions more than radio, television and publications communication do (Ahmadinejad, 2019:42). The CTHSSOR could reward customers who spread positive WOM, instead of paying for marketing activities on costly platforms. Most customers found out about the CTHSSOR by WOM from a CPUT employee (26 times), followed by WOM from a CPUT student (17), WOM from existing customers (15), signage at the Granger Bay campus (5), printed media (2), social media (2) and a friend (1). This strongly suggests that in the case of this study the majority of customers found out about the CTHSSOR via WOM and social media. Although most customers use Facebook, they first learnt about the CTHSSOR via WOM from a CPUT staff member. Ahmadinejad (2019:40) opines that WOM is the most effective marketing method and this study's findings can be used to inform future promotion strategies. Nxumalo (2017:38) suggests that the desired service expectations are influenced by both implicit and explicit assurances made through various promotional strategies. The CTHSSOR can align promotional strategies to service delivery and continuously seek feedback from customers.

Ugonna et al. (2017:77) confirm the significance of the 7 Ps in the retention of customers, increasing sales and profits, attracting new customers and reducing costs. Following the analysis of service quality attributes of customer perception based on the 5 Ps, the next section discusses the second objective of the study.

#### 4.5.2 Objective 2: Service attributes for customer retention

The second objective of the study was to evaluate service attributes that promote customer retention, which was analysed using customer perceptions of service quality in conjunction with the different customer segments determined. The supporting question was, "Which restaurant service attributes encourage CTHSSOR customers to return to the CTHSSOR?" The second objective required the first objective to make sense; having identified customer demographic characteristics was not sufficient, as psychographics and behavioural representation are also required to understand customer profiles. Knowing a customer's psychographic and behavioural information informs the CTHSSOR's management about customers' values, their lifestyles and interests, which could assist management to customise

restaurant products. When service providers know who their customers are and what their needs are, meeting and exceeding customer needs can be achieved, leading to customer retention. Customer retention costs less than acquiring new customers, confirmed by Gajanova et al. (2019:80) who report that it costs six times more to acquire new customers than to keep current customers. It was therefore important to establish whether the majority of respondents were first time visitors to the CTHSSOR and if they were not, what was their reason for visiting again.

When customers were asked whether they were visiting the CTHSSOR for the first time, 19% confirmed that they were first-time visitors. The 81% of customers who were not first time visitors were asked why they had returned to the CTHSSOR and, based on their most recent visit, the repeat visitors indicated that their decision to return was influenced by their perception of good quality of the identified service attributes, including a combination of food, service, price and location (15%). Some customers (15%) indicated they had returned because of a perceived quality of the location and 8% returned because of the food quality. The question permitted respondents to select more than one answer, which allowed them to share their insight. This enabled a frequency analysis to be done, to determine the most-selected reason for returning to the CTHSSOR.

When participants were asked why they decided to eat at a restaurant, the following options were presented as multiple choices—convenience, celebration of an event, meeting friends, to spend time with family, unable to prepare meals, cost effective, networking and socialising. Customers visit restaurants for different reasons; 31% of customers stated that they visited the restaurant to socialise and 29% visited restaurants to spend time with their families. This study's findings align with Verma and Gupta's (2018:39) findings that people dine out to celebrate life milestones. The findings suggest that the CTHSSOR offers services that maximise the location and the facilities are conducive to customers who wish to socialise and spend time with their families.

To establish frequency of customer visits to a restaurant (any restaurant) the answer choices were once, twice, three times, four times and more than four times a month. Customers who visit a restaurant frequently have a positive impact on the profitability of the establishment.

**Table 4.6: Restaurant visit frequency per month**

Age	Once		Twice		Three times		Four times		More than four times		Total	
	%	N	%	N	%	N	%	N	%	N	%	N
18-24	5%	1	0%	0	0%	0	0%	0	0%	0	2%	1
25-34	<b>37%</b>	7	32%	6	<b>74%</b>	6	<b>40%</b>	2	45%	5	<b>41%</b>	26
35-44	32%	6	<b>42%</b>	8	0%	0	20%	1	0%	0	24%	15
45-54	21%	4	5%	1	13%	1	0%	0	0%	0	10%	6
55-64	5%	1	0%	0	13%	1	20%	1	<b>55%</b>	6	15%	9
65+	0%	0	21%	4	0%	0	20%	1	0%	0	8%	5
<b>Total</b>	<b>100%</b>	<b>19</b>	<b>100%</b>	<b>19</b>	<b>100%</b>	<b>8</b>	<b>100%</b>	<b>5</b>	<b>100%</b>	<b>11</b>	<b>100%</b>	<b>62</b>
<b>Frequency distribution</b>	<b>31%</b>		<b>31%</b>		<b>13%</b>		<b>8%</b>		<b>17%</b>		<b>100%</b>	<b>62</b>

In Table 4.6, each age group with the highest monthly restaurant visit frequency is highlighted. Customers who eat at restaurants most frequently (more than four times a month) are those between the ages of 55 and 64 years (55%). The majority of respondents (41%) in the study ranged between the ages of 25 and 34 years and they were the highest representation in three frequencies, which suggests that clients in this age category frequented a restaurant (any restaurant) more than customers in any other age group. The frequency of restaurant visits is significant to determine service offerings that can accommodate the needs of visitors, according to their visiting frequency.

Gajanova et al. (2019:81) report a statistical dependence between generation and brand loyalty level, claiming, “young single individuals, young couples without children and middle-aged persons with children” were the most loyal customers. The generation and brand loyalty statistical dependency can be used to develop a loyalty programme for different age groups and dominating family structures.

To understand customers' needs further, dietary requirement responses were offered for them to choose the option that applied to them the most. Forty-seven percent of the respondents had no specific dietary requirements, while 11% had unspecified food allergies. In a study by Masa (2017:397), customers advised that they are no longer satisfied with just buying unspecified goods (any food) and services, they also wished to be entertained and educated, especially when it came to food options. Although the majority (47%) of the CTHSSOR customers did not have specific dietary requirements, it is still necessary for the restaurant to provide a wide variety of dishes that will accommodate different dietary needs. Furthermore, the CTHSSOR could host different food events to educate customers about different dietary options and their benefits.

Participants were asked to rank, on a scale of 1 to 8, a restaurant attribute they considered when deciding on which restaurant to visit. The following options were given—affordability, food quality, social media presence, location, environmentally sustainable practices, dietary requirements, fast service and ambiance. The findings revealed that the most-considered factor in selecting a restaurant was the food quality (38%), 37% considered affordability as the deciding factor, 10% decided on the location, 3% considered their dietary requirements, 4% considered social media presence and 8% valued the restaurants' ambiance. Sukhu (2017: 13) is of the view that ambiance influences the success of the restaurant as it determines the time, and money, customers spend in the restaurant.

Masa (2017:403) reports that food quality was the predominant reason why customers chose to return restaurant, whereas the reason for most customers to return to the CTHSSOR was the location attributes. This is significant for the CTHSSOR, to enhance food quality as it positively influences customer patronage. Customers did not consider the restaurants' environmental practices, and speed of service, as the main reason for selecting a restaurant as these were not ranked by respondents. Possibly the majority of customers were not aware of fast food menus (Yu et al., 2018:10; Teng & Wu, 2019:1), temple food (Park et al., 2020:1) and slow food that advocates sustainable practices (Gökdemir & Sünnetçioğlu, 2017:3). Trafialek et al. (2019:1) define sustainable restaurant practices as the use of environmentally-friendly forms of energy, reducing waste and minimisation of food wastage.

When considering respondents' education qualifications and eating habits, it was noted that at least a tertiary diploma was held by 32% of customers eating in airport restaurants (Mhlanga, 2018a:6) and 30% of patrons in the Eastern Cape (Mhlanga et al., 2015:761). Of the CTHSSOR customers, 45% held a tertiary diploma. Respondents' academic status was considered important by Yu et al. (2018:10), which suggests that people with a higher education are more conscious of green environmental practices but no level of specific academic status was specified to support the findings on dietary needs, therefore that study is not wholly applicable to this CTHSSOR study.

The majority of the CTHSSOR customers are females, ranging between the ages of 25 and 44 years old, who visit the CTHSSOR twice a month and most of them dine with the intention to spend time with family and to socialise. Participants indicated that their most recent visit to the CTHSSOR was work-related (29%), whereas 32% visited for 'other' personal reasons. According to Gajanova et al. (2019:65) and Ugonna et al. (2017:76), it is much easier to keep a current customer than to gain a new one. Therefore, regarding customer retention, the study asked whether customers would consider a loyalty programme. The response from 55% of participants was that they would consider such a programme as encouragement to return to the CTHSSOR. Ugonna et al. (2017:79) suggest that customers who feel that they are treated



with dignity, by considering their requirements, will harness loyalty and boost the profitability of the SOR.

The study data obtained suggest that the majority of respondents based their decisions to return to the CTHSSOR on food quality. The antecedents of customer patronage were dominated by the quality perceived in the location attributes (restaurant's ease to locate, adequate parking, cleanliness of toilets and dining area and feeling safe and secure while at the restaurant). Management of the SOR should heed the study results, as the quality of the food served could ensure customers returning to the restaurant. It can therefore be concluded that food quality and location are the main service attributes that attract customer loyalty in the case of the CTHSSOR.

Mhlanga (2018a:9) suggests focusing on service factors that are empathetic, such as "employees provide individual attention, special feeling, anticipation of customers' individual needs and wants, sympathetic and reassuring employees and customers' best interests at heart". Mhlanga argues that these empathetic service factors will greatly influence customer patronage. Nguyen et al. (2015:83) pre-empted Mhlanga's (2018a:9) view on the significance of the empathetic service factor, reporting that this factor had the strongest impact on customer satisfaction. According to Nguyen et al. (2015:83), empathy attributes include paying attention to individual guests, understanding a guest's specific needs, displaying a positive attitude when receiving guests and providing healthy menus as required. The majority of CTHSSOR repeat customers (23%) indicated that they would return to the CTHSSOR because of the restaurant's location, while 11% returned because they were invited. Gajanova et al. (2019:66) argue that branding can be used to communicate with target customers. Branding was not explored in the current study as the study mainly focused on the service quality, but it is an important topic for a future CTHSSOR study.

Mhlanga (2018a:11) also found responsiveness to be a major determinant of a customer's likelihood of returning to airport restaurants. Responsiveness encompasses the three elements of maintaining speed and quality of service during busy times, provision of prompt service and an extra effort for handling special requests. The current study findings indicate that 69% of customers require that students pay particular attention to their special requests and to encourage customer retention, students can improve on how they respond to customers' special requests.

The next section discusses customer perceptions of the CTHSSOR attributes that could influence existing customers to refer new patrons.

#### 4.5.3 Objective 3: To determine service attributes that influence customer referrals

The last objective of the study was to determine the service attributes that would influence current customers of the CTHSSOR to refer new customers. Customers are likely to spread both positive and negative information about their restaurant experiences (Josiam et al., 2014:49). According to the data obtained during the study, the service attribute that received the highest positive quality perception was the CTHSSOR facilities (90%) and the least positive attribute was the price (58%). Although Khan et al. (2019:13) reject the notion that the physical environment of a restaurant increases customer satisfaction, the findings of this study suggest that customers would refer other customers to the CTHSSOR because of the perception of high quality restaurant facilities and not the price.

Sibanda and Ndhlela (2018:28) suggest that WOM referrals are one of the reasons some customers do business with retail organisations. The findings of this study concur with Sibanda and Ndhlela (2018:28), that the majority of customers who learned about the CTHSSOR did so through WOM through a CPUT staff member (42%), a CPUT student (28%) and an existing CTHSSOR customer (23%). Khan et al. (2019:1) defines WOM as a free medium of advertising shared by customers. In addition, Moore and Lafreniere (2019:34) report that online WOM can have an impact on consumers' product evaluations, purchase intentions and choices. Their study did not specify whether the WOM was online or offline.

When customers were asked which media platform they used most often, the majority (21%) of respondents said that they used Facebook the most. Because Facebook is an online platform it can be assumed that new CTHSSOR customers learned about the CTHSSOR through CPUT staff and students using online WOM. The media type (Facebook, YouTube and Twitter) most often used by CTHSSOR customers are termed social media networks by Konasela (2017:42) who noted its vital role for attracting customers to an establishment. Masa (2017:394) avers that customers who are satisfied with a certain aspect of a product or service can act as the service provider's ambassador; without being paid they will spread positive WOM messages. Customers can spread positive WOM through their own online platforms or through the entity's online platforms. WOM is considered to be informal and persuasive (Suárez & Veloso 2020:6) and non-commercial (cost effective form of promotion) (Konasela, 2017:42), so establishments can strive for customer satisfaction to benefit from free advertising.

The third objective of this study was to determine the service attributes that lead current customers to refer new customers to the CTHSSOR. There were questions with no direct statements asked pertaining to restaurant service attributes that would influence customer referral. Customers were asked the reason for returning to the CTHSSOR. Participants indicated that they returned (15%) because they were satisfied with everything the CTHSSOR

offered (food, service, price and location), 15% indicated their return was especially influenced by the CTHSSOR location and 16% were first time visitors. Konasela (2017:41) is of the view that customers share their positive experiences with family, friends and colleagues and therefore it is important to ensure that customers have positive experiences to share.

Azemi et al. (2020:7) warn about negative online WOM that is caused by unmet customer expectations. There are three levels of negative online WOM, namely lenient, moderate and severe. Lenient negative WOM refers to a customer who communicates their frustration with no intention to harm the company but to bring the matter to the service provider's attention and with the intention to warn others. Moderate negative WOM occurs when both customer and entity representatives are not aggressive when trying to resolve their differences. Severe online negative WOM occurs when both the complainant and establishment's employee are aggressive in their interactions.

Negative WOM can be prevented by handling customers' complaints promptly. Some results in the work of Mhlanga (2018b:6) showed that the customer perception of quick correction of wrong service was lower than the customer's actual expectation. Konasela (2017:41) suggests that customers who are acquired through WOM tend to stay longer with the organisation when they have proved what was communicated through WOM is true. That the WOM variable has a significant effect on customer loyalty, is valid (Purbasari, 2019:206). To increase customer referrals, a loyalty programme could be developed to reward CPUT staff, customers and students for every referral that visits the CTHSSOR, as indicated by the participants in this study. WOM, when applicable to the services industries, is necessary for a SOR because the services offered "are difficult to assess as they are experiential in nature" (Khan et al., 2019:1). Current customers, new customers, students and staff could be rewarded for every customer they refer to the CTHSSOR that leads to the sale of a meal. Provision of rewards would encourage current customers, new customers, students and staff to refer their friends and families to the CTHSSOR.

The findings of Konasela (2017:42) show that the antecedents of positive WOM are satisfaction and experience. Informing CPUT staff and students about the benefits of the CTHSSOR products and service and rewarding staff and students for referring new customers to the CTHSSOR can promote WOM in line with the findings of the CTHSSOR survey. Moore and Lafreniere (2019:36) suggest that customer motivation levels are influenced by WOM on products and services they wish to purchase, including in a SOR. Customers who have a lower level of focus tend to focus on the WOM summary, in contrast with the high motivation customer whose focus is specific. For example, a customer seeking WOM information for a wedding venue and a customer seeking WOM to reunite with friends could have varying motivation levels and the focus would be different, based on the needs of the customer (Moore & Lafreniere, 2019). The focus and motivation must be taken into account in the content

communicated on the establishment's online community, such as the Facebook page of the entity.

The findings of this study show a high satisfaction with the quality of the CTHSSOR facility, followed by food quality. The least quality perceived was observed in the price dimension of restaurant service quality. Khan et al. (2019:1) argues that "food quality, price fairness, perceived value and personal interaction quality" will influence WOM referrals. The CTHSSOR can maintain food quality standards and improve the price dimension (especially beverage prices) to improve customer perception of service quality at the CTHSSOR. To avoid negative online WOM motivation, students could be trained to handle customer complaints, although participants are generally satisfied with the students' performances at the CTHSSOR. Brett and Sibiya (2018:16) advise that customer complaints should be resolved immediately and with empathy. WOM behaviour is triggered by satisfaction, trust and commitment (Khan et al., 2019:12). Customers can share positive and negative WOM online and offline. The top three CTHSSOR service quality attributes that customers perceived to be of a good quality were ample parking space, feeling safe while at the CTHSSOR and the cleanliness of toilets and the dining area.

#### **4.6 Summary**

The study findings discussed in this chapter support the objectives of the study, as they identified the characteristics of CTHSSOR customers and their reasons for dining out. The majority of the customers were between 25 and 44 years of age and most of the respondents visited restaurants to socialise and spend time with their families. The findings illustrate that customers would return and also refer new customers to the CTHSSOR because of their perceptions of the high quality of the restaurant facility or location, the food on sale, the service provided by students and the positive responses towards the food prices and payment methods. However, participants did question the high prices of beverages. Customers did not perceive advertising and promotion as one of the CTHSSOR attributes that would influence their return and most customers heard about the CTHSSOR through WOM. According to Ahmadinejad (2019:43), WOM communication is the foundation of customer retention and customer loyalty. In this study, most respondents frequented the restaurant once a month (31%), which aligns with the findings of Petzer and Mackay (2014:7) who found that the majority of customers (32%) frequent a restaurant once a month. Some customers visit a restaurant twice a month (31%), while the least represented group were those who frequent a restaurant more than four times a month (18%). This information is necessary for restaurant management to plan their campaigns to attract new customers and retain those loyal to the business.

According to Josiam et al. (2014:49), restaurants experience good patronage because of the seven common restaurant attributes of food quality, service quality, consistency of food and service, menu variety, a positive cost/price-value relationship, ambience and cleanliness. These are all applicable to the CTHSSOR to a greater or lesser degree but the consistency of customer quality perceptions should be monitored regularly to provide consistent service quality and take corrective action if necessary.

Chapter 5 concludes the study. It builds on the findings that emerged from the analysis of the data collected and discussed in Chapter 4, and makes recommendations for further action.

## **CHAPTER 5**

### **CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1 Introduction**

This final chapter is built on the findings that emerged from the analysis of the primary data collected from the online surveys with the CTHSSOR participants presented in the preceding chapter. The research problem is re-stated and conclusions are drawn based on the study findings. The limitations of the study are discussed and recommendations are made for further action.

#### **5.2 Research problem explained**

Customers' needs are changing owing to lifestyle and household characteristic changes and restaurants need to change to meet and satisfy these changing needs. According to Blessing (n.d.), there are seven family structures, namely same-sex couples, a nuclear family (consisting of a mother and a father), single parent families (living with one or more children and no other adult), extended families, childless families and grandparent families (grandparents raising children). The American Bureau of Labor Statistics (2020:2) reports that 64.2% of households consist of married couples with children under the age of 18 years and both parents are employed. One of the household characteristic changes observed is the increase of families with both parents working full time. With both parents working the time to complete household duties such as cleaning and cooking, is reduced, forcing families to outsource these duties due to time constraints. Restaurants can be used by these working parents to outsource family meals although Masa (2017:395) found that Phillipino customers consider eating out as time to spend with their family and friends and to relax, not merely for meal outsourcing.

Restolabs (2020) is of the view that Millennials and Generation Z's consider healthy eating as a lifestyle choice. According to the West Midland Family Center (n.d), Millennials are people born between 1977 and 1994, while Dixon et al. (2018:110) define Millennials are those born between 1980 and 1995. Although there is a small difference in the age brackets, it is important to note that customers' preferences and needs are generally influenced by customer age. Therefore, lifestyle changes and the family structures have different needs to which restaurant personnel should pay special attention. JLL Foodservice Consulting (2020:3) observed growth in sustainability and conscious eating, with plant-based diets on the increase in the USA and European countries. However, customer needs in a SOR were unknown.

The aim of this study was to investigate customer perceptions of service quality in the CTHSSOR in Cape Town. The findings of the study could inform restaurant offerings to meet and exceed customer needs, which in turn could increase patronage and income. According

to Nxumalo (2017:101), the restaurant industry has a high failure rate owing to the inability of restaurants to secure repeat patronage, which could imply that they have not understood customer needs correctly. Understanding customer needs should be considered an ongoing process to deliver to changing customer needs. COVID-19 has presented the service-providing industries with a chance to reinvent their service delivery processes to meet customer needs. The need to feel safe and cared for has risen in 2020, owing to the COVI-19 pandemic.

### **5.3 Research summary**

After identifying the research problem, the aims of the research were established in the planning stage. The process involved setting three research objectives and three questions to investigate customer perceptions of service quality in a SOR. A SOR was chosen for the study because of its unique characteristics compared to a commercial restaurant and also because a SOR could provide a solid foundation for future professionals in the hospitality industry. One of a SOR's unique characteristics is the high staff turnover because it is operated by students and has fewer permanent personnel. Although a SOR provides services to paying customers, similar to a commercial restaurant, the SOR needs to provide a higher quality service to be competitive in the restaurant market and attract patrons.

To investigate customer perceptions of service quality in a SOR, the three research objectives were:

- **Objective 1:** To identify the different customer segments;
- **Objective 2:** To evaluate service attributes that lead customers to return to the Cape Town Hotel School SOR, and
- **Objective 3:** To determine the service attributes that leads to new customer referrals.

It was not sufficient to merely set research objectives; therefore, questions were asked for each objective as follows

- **Question 1:** Who are the SOR customers?
- **Question 2:** Which service attributes lead customers to return to the CTHSSOR?
- **Question 3:** Which service attributes influence current customers to refer new customers to the Cape Town Hotel School SOR?

#### **5.3.1 Discussion of the findings**

**Question 1** was broken down into several market segmentations and presented as closed-ended questions. The findings show that the majority of the CTHSSOR patrons who responded were females (66%). Millennials dominated at 41% (25 to 34 years old), while 51% of

respondents were single and 24% lived with their romantic partners. Forty-seven percent of respondents had obtained a degree and the majority worked in the education sector.

**Questions 2 and 3** could not be answered without measuring restaurant service quality. Several authors who had studied service quality in different industries and service types used the SERVQUAL technique to measure service quality (Brett & Sibiya, 2018:4; Hashem 2019:67). SERVQUAL compares customer expectations to customer perceptions of service delivered (Joao et al., 2019:5) but SERVQUAL was not suitable for this study because the study only investigated customer perceptions and not expectations. Some authors who studied service quality in restaurants used a modified DINESERV scale (Markovic et al., 2010:186; Nxumalo 2017:53; Sukhu et al., 2017:11; Mensah & Mensah 2018:28; Mhlanga 2018b:7; Maghsoodi et al., 2019:5) because this model measures service quality of restaurants based on customers' perceptions. Prabha (2012:3) avers that the DINESERV tool was developed by Stevens et al. in 1995 to measure service quality in restaurants and was derived from Parasuraman et al.'s (1988) SERVQUAL instrument that generally measured service quality in any industry. Neither of these models were suitable for this study.

Mhlanga (2018a:4) utilised a self-administered survey because both SERVQUAL and DINESERV were too lengthy and complicated for his purposes but did serve to form a foundation for this SOR study. Kukanja (2017:162) measured service quality in a restaurant using the 7 Ps (product, placement, physical evidence, process, people, price and promotion) of marketing quality dimensions. The current study did not use SERVQUAL, DINESERV or the 7 Ps of marketing quality dimensions because none was fully suitable for the study of a SOR. SERVQUAL and DINESERV were considered too long for this SOR study, because they measure both expectations and perception. The aim of this study was only interested in the perceptions of service quality, and not the expectations. Instead, only the 5 Ps (product, place, people and price) of the 7 Ps were used to measure service quality at the CTHSSOR, where the place and physical evidence "Ps" and the people and process service attributes were merged to shorten the online questionnaire, thus avoiding duplication. The highest perception of service quality found at the CTHSSOR was the place. The findings indicate that the physical state of the restaurant, the cleanliness of the dining area and of the toilets was main reason for respondents to return to the CTHSSOR. The CTHSSOR could have an opportunity to improve service delivery based on the findings of this study. A conclusion of Markovic et al. (2010:191) was that customers have high cleanliness expectations.

The third research question sought to answer which service attributes would lead current customers to refer new customers to the CTHSSOR. Findings by Konasela (2017:42) show that the antecedent of positive WOM is satisfaction. This means that the CTHSSOR's current customers would refer new customers because of the service attribute that was perceived to be of the highest quality. Other findings that support the third question of this study are how



current customers referred new customers to CTHSSOR. The data show that the majority of customers who responded to this study first learned about the CTHSSOR through positive WOM. The results of Kayode et al.'s (2016:8) study strongly suggest that customer satisfaction contributes to positive WOM recommendations of the establishments.

#### **5.4 Study limitations**

- One of the limitations for this study concerned the sample. The sample for this research study was chosen based on convenience sampling. The targeted sample size for the study was 100 participants based on the CTHSSOR maximum daily seating capacity. The convenience sampling method allows researchers to collect data from part of the research population that is easily accessible, and participants do not have an equal chance of being selected to participate. The researcher could access 395 customer email-addresses, and the surveys were sent to all 395 addresses, targeting 100 participants. Data were collected during the national lockdown by sending a survey questionnaire via email. Only 62 surveys were completed and could be used for the study. Only customers who were on the CTHSSOR database received a request to participate in the study whereas customers whose email address was not on the database did not receive an email to participate.
- The findings apply only to the CTHSSOR and not all SORs. The CTHSSOR was chosen because it is the only SOR that is part of a University of Technology in Cape Town, there were not similar SORs in the Western Cape. Survey results might be different for another SOR or another type of restaurant, therefore, the findings cannot be generalised to all types of restaurants. Restaurants offer different menus, the operating times differ, standard operating procedures are different and because of these few stated differences, findings from this study cannot be generalised.
- The data were collected using an online survey, therefore, results and findings could differ based on the type of data collection method. A survey questionnaire completed onsite can be dated and customer perceptions of service quality for that day can be shared with staff and students on shift. Onsite surveys allow staff and/or students to take quick corrective action to satisfy customer needs before the customer departs.
- Customer's perceptions of service quality at the CTHSSOR were based on their past perceptions that they had when they previously visited the CTHSSOR, although it cannot be said when the customer visited the restaurant.

## 5.5 Recommendations

The following recommendations are suggested to manage customer relationships to increase customer retention and customer loyalty.

- Installing and updating of CRM software such as Opera, which allows restaurants to store customer information such as contact details, household size, birthdays, anniversaries, emails from customers and various other customer interests. Having information on customer food preferences, dietary requirements and allergies means the chef and the procurement department can be notified in advance, to ensure that all customer needs are met. This data contribute towards service customisation and informs marketing efforts because it provides a detailed customer profile.
- The revenue controller, financial controller, marketing officer, chefs' instructors, restaurant instructors and the food and beverage cost controller should be allowed access to Opera to view information about customers when they need it. For example, both the chef and the procurement department would be able to view the customer profile, which could include the menu they chose on their previous visit and the customer feedback notes. A copy of the beverage bill for annual corporate events could be attached to the customer's profile, together with the type of beverages that ran short in the previous year's event to prevent such future shortages.
- Regularly contacting of customers to promote the restaurant's brand and establish strong values in the minds of customers (Ugonna et al., 2017:76). With a CRM system in place, the CTHSSOR sales team could see customer's upcoming celebrations such as birthdays of family members and suggest a product that would be suitable for the customer event.
- The findings of this study show that the majority of customers use Facebook more frequently than other media platforms. Encourage current customers to follow the CTHSSOR Facebook page, which would ensure customers are informed of upcoming events and CTHSSOR projects. Customers could contribute their views on the project, support the events and also share with friends who have mutual interests.
- Seek customers' views on CTHSSOR products and services, using SurveyMonkey® distribution features that allow users to distribute surveys using a web link to three social media platforms of Facebook, Twitter and LinkedIn. SurveyMonkey® enables researchers to collect data from customers and collate data, which can be converted and presented in a chart or table for ease of reference and understanding.

A survey questionnaire on customer perceptions of service quality could include the question of the date when the customer visited the restaurant. This could identify specific contributors to poor or excellent service. For instance, if a customer complains

about slow service on a specific date, it could be that students assigned to the shift did not all arrive, contributing to the customer's perception of slow service.

- The findings show that the majority (48%) of respondents prefer *à la carte* service, followed by buffet service, butler service and set menu service. CTHSSOR could increase its *à la carte* service by including more food options on the menu that appeal to customers. Options could be similar to those of the buffet menu because the majority (58%) of customers had experienced the buffet service. The *à la carte* service style could comply with the regulations on physical distancing because customers are served while seated at a table. Van Straaten and Pallister (2020:10) suggest that a restaurant can achieve acceptable social distancing by positioning the restaurant tables two metres apart. This is in contrast to the buffet service style in which people serve themselves from a shared service station using serving gear that is touched by many people. A buffet service increases the risk of COVID-19 transmission, as indicated by the WHO (2020:1), that can be transmitted from one person to another when an individual touches a contaminated area, then touches their eyes, nose or mouth.
- An alternative to a buffet service is a feast table. A feast table comprises various dishes that are shared by people seated at a table where the feast is laid out. CTHSSOR could offer a feast table to guests instead of a buffet. This would still allow guests to choose from a variety of dishes while limiting their movements and reducing contact, thereby lessening the possibility of COVID-19 transmission. The WHO (2020:2) called for all restaurants and business to be well ventilated to reduce the viral load, if it was present, and limit the number of people to be traced should a case arises.
- When respondents were asked whether they thought the restaurant could accommodate families with children, the majority (84%) of respondents agreed that families with children could be accommodated at CTHSSOR. Although 16% disagreed, it would be interesting to continue monitoring customer perceptions pertaining to the needs for families with children by noting products, facilities and service that CTHSSOR does not provide, previously queried by guests.
- The findings of this study revealed that the majority (66%) of respondents were between the ages of 25 and 44 years. People in this age group usually have children and are likely to visit the restaurant with their children. CTHSSOR could consider how to incorporate menu items familiar to children and provide activities to keep children busy, such as biscuit decorating. Satisfying both parents and children would create a great experience that is memorable and contribute towards positive WOM.

## **5.6 Direction for future research**

Research could be conducted at another South African SOR and use the same research design adopted by this study. A comparative study could be conducted to establish similarities and differences in operating activities and how they contribute to students' skills development to ensure a continuing and vibrant SOR.

Qualitative research using focus group data collection methods could be conducted at the CTHSSOR to permit customers to express themselves about the service attributes. Focus groups are not as structured as the survey questionnaires that were used in this study. A DINESERV model could be used to establish customer perceptions of service quality at the CTHSSOR and the findings could be compared to this study.

CTHSSOR should do quarterly surveys to measure customer satisfaction of its service standards and food quality. The contact details of SOR customers must be kept current so that the SOR can contact relevant customers for up-to-date information. Seasonal studies could help the CTHSSOR to keep abreast of customer perceptions.

## **5.7 Conclusions**

The research problem was restated, and the findings and limitations were discussed. Recommendations to enhance customer retention were presented and future research directions were suggested.

The overall customer perception of service quality at CTHSSOR is high. Most respondents opted for "Place" (90%) as the highest service attribute, followed by "Product" (78%), then "People" (students) related service attribute at 75% and "Price" was rated the lowest service attribute at 53%.

The "Promotion" service attribute was not measured using a Likert scale; it was a multiple-choice question listing the media options that customers utilised often. The findings showed that the majority of respondents utilised Facebook most often. The findings further revealed that the majority of customers were informed about the CTHSSOR by a CPUT staff member.

One of the accidental findings discovered in this study was the benefits of WOM marketing at the CTHSSOR by CPUT staff. CPUT staff could be rewarded for every customer they refer to CTHSSOR.

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## APPENDICES

### APPENDIX A: CPUT ETHICAL CLEARANCE



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P.O. Box 1906 • Bellville 7535 South Africa • Tel: +27 21 4603291 • Email: fbmsethics@cput.ac.za  
Symphony Road Bellville 7535


Office of the Chairperson Research Ethics Committee	Faculty: <b>BUSINESS AND MANAGEMENT SCIENCES</b>
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At a meeting of the Faculty's Research Ethics Committee on 30 April 2019, Ethics Approval was granted to **Asanda Pinky Mtukushe (206217099)** for research activities of **M Tech: Business Administration** at Cape Peninsula University of Technology.

Title of dissertation/thesis/project:	<b>CUSTOMER PERCEPTION OF SERVICE QUALITY IN A STUDENT OPERATED RESTAURANT</b> Lead Researcher/Supervisor: Dr. M Hoffman/Dr M Twum-Darko
---------------------------------------	---

Comments:

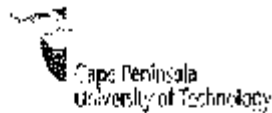
Decision: **Approved**

 Signed: Chairperson: Research Ethics Committee	<b>30 April 2019</b> Date
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Clearance Certificate No | 2019FBREC632

## APPENDIX B: LETTER OF PERMISSION FROM CTHS



Date: 10 April 2019

I Xolisa Jayiya, in my capacity as Operations Manager at Cape Town Hotel School restaurant give consent in principle to allow Asanda Perky Mkhusha, a student at the Cape Peninsula University of Technology (CPUT), to collect data in this company as part of His/her Master of Technology research. The student has explained to me the nature of her research and the nature of the data to be collected.

This consent in no way commits any individual staff member to participate in the research, and it is expected that the student will get explicit consent from any participants. I reserve the right to withdraw this permission at some future time.

In addition, the company's name may or may not be used as indicated below. (Tick as appropriate).

	Thesis	Conference paper	Journal article	Research poster
Yes	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
No	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Xolisa Jayiya

10 April 2019

## APPENDIX C: Covering letter



May 2019

Dear Customer,

My name is Asanda Mtukushe, I am enrolled for the MTech: Business Administration degree at the Cape Peninsula University of Technology (CPUT). One of the degree requirements is for me to conduct research based on a problem I identified, being on household changes of people living in the Cape Town Metropole and the changes in their lifestyles. Studies have shown that more women are educated and working full-time; this means that there are fewer women at home during the day to take care of household duties, including meal preparation. One of the meal preparation needs can be satisfied by eating at restaurants. However, the manner in which the meal is provided is also of interest to customers, who require prepared meals for different reasons; to satisfy hunger, to save time and cultural experiences, to mention a few.

The aim of this study is to establish customer perceptions of service quality in a student-operated restaurant where I work. The objectives of the study is to identify the Cape Town Hotel School (CTHSSOR) customers' demographics, evaluate service attributes that influence customer patronage and retention and also establish which service attributes influence customer's decision to return to CTHSSOR. The findings of the study could contribute towards determining customer satisfaction, quality service training for students, restaurant brand image and customer retention patterns, which are the major objectives of my study.

Ethical permission for the study was obtained from CPUT and permission to collect data from CTHSSOR customers was approved by the CTHSSOR Operations Manager. Customers responding to the survey will do so voluntarily and all customers participating in the study will remain anonymous.

**Asanda Mtukushe**

**Student no. 206217099**

**Cape Peninsula University of Technology**

## APPENDIX D: QUESTIONNAIRE

PLEASE MARK YOUR ANSWER WITH AN X

<b>Q1. What is your age?</b>	
18-24	
25-34	
35-44	
45-54	
55-64	
65+	

<b>Q2. What is your gender?</b>	
Female	
Male	
Not specified	

<b>Q3. Which of the following describes your current employment status?</b>	
Working	
Unemployed	
Working and Studying	
Full-time Student	
Retired	

<b>Q4. In what sector do you work?</b>	
Education	
Food preparation	
Training	
Events, Sales and Marketing	
Engineering	
Unemployed	
Other	
Retired	
Finance	
Construction	
Oil and Gas	
Hospitality	
Unemployed	
Other (please specify)	

<b>Q5. Who, if anyone, currently lives with you in your household? Please include permanent residents only. (Please select all that apply.)</b>	
Child	
Grandchild	
Parent	

Grandparent	
Roommate / Friend	
Romantic partner (spouse, partner, boyfriend, girlfriend)	
Child & romantic partner	
Parent & grand parent	
Parent & romantic partner	
Child & grand child	
Parent & child	
Grandchild & parent	
None of the above	

<b>Q6. What is your preferred language of communication?</b>	
English	
Afrikaans	
IsiXhosa	
Other South African Languages	
Other	

<b>Q7. What is your highest qualification?</b>	
Below Grade 12	
Completed High school (Grade 12)	
Post-high school but no degree	
Diploma / degree	
Postgraduate	

<b>Q8. Which of the following describes your current relationship status?</b>	
Married	
Single	
Widowed	
Divorced	

<b>Q9. Why do you choose to eat at a restaurant?</b>	
Convenience	
Celebration	
Meeting friends	
To spend time with my family	
I am unable to prepare meals	
Cost-effective	
Networking	
Socializing	
Celebration, meeting friends, to spend time with family & socializing	
Convenience & meeting friends	
Celebration, meeting friends & socializing	
Convenience & spending time with family	

Celebration, meeting friend, networking & socializing	
Celebration, meeting friends & spending time with family	
Convenience, meeting friends & spending time with family	
Convenience, celebration, spending time with family & socializing	
Convenience, celebration, meeting friends, spending time with family, networking & socializing	
Convenience, meeting friends, networking & socializing	
Convenience, celebration, meeting friends & spending time with family	
Convenience, celebration, meeting friends, networking friends & socializing	
Convenience, celebration & spending time with family	
Celebration & spending time with family	
Celebration, meeting friends, spending time with family & socializing	
Celebration, spending time with family, socializing & networking	

<b>Q10. How often in a month do you eat at a restaurant?</b>	
Once	
Twice	
Three times	
Four times	
More than four times	

<b>Q11. Are you visiting the Cape Town Hotel School Restaurant (CTHSSOR) for the first time?</b>	
Yes	
No	

<b>Q12. If no, please select the reason that influenced your return</b>	
Good food	
Good service	
Good prices	
Good location	
I was invited	
Good food & service	
Good service & price	
Good food & invitation	
Good food, service & location	
Good food, location & invitation	
Good food, service, price & location	
Good price & location	
Good food, service & invitation	
Good food & location	

First time visit	
None of the above	
All of the above	

<b>Q13. Please rank from 1 to 8 the top eight restaurant attributes you consider when deciding on the choice of restaurant to eat at? ( number 1 being the highest attribute you consider and number 8 the least)</b>	
Affordability	
Food Quality	
Social Media Presence	
Location	
Environmental Sustainable Practices	
Dietary Requirement	
Fast Service	
Ambiance	

<b>Q14. Which of the below best describes your relationship with Cape Peninsula University of Technology (CPUT) or External Delegate.</b>	
CPUT Staff	
External delegate (not CPUT employee)	

<b>Q15. Did you visit the CTHSSOR for any of these reasons?</b>	
Work function	
Personal reasons	
To support students	
I am a former CTHS student	
Celebration	
Spending time with family	
Other	

<b>Q16. How did you find out about CTHSSOR?</b>	
Word-of-Mouth (CPUT Staff member)	
Word-of-Mouth (CTHSSOR existing customer)	
Word-of-Mouth (CPUT STUDENT)	
Trip Advisor	
Printed media	
Social media	
Signage at Granger Bay Campus	

<b>Q17. Which media platform do you use often?</b>	
Newspaper	
Newsflash	
Facebook, Instagram & LinkedIn	
Twitter	
Facebook	

Instagram	
TV (Television)	
Radio	
WhatsApp	
Newspaper, Facebook & Instagram	
Instagram, Facebook & TV	
Newspaper & TV	
Newspaper, radio & TV	
Instagram & news paper	
Facebook & TV	
Facebook, Instagram & radio	
TV & radio	
Facebook & Instagram	
Twitter, Facebook & Instagram	
Newspaper, radio & WhatsApp	
Newspaper, Facebook & TV	
Twitter, Facebook, Instagram, TV & Radio	
Newspaper, Facebook, TV & Radio	
Twitter & Facebook	
Newspaper, Twitter, Facebook, TV & radio	
Newspaper, Facebook, Instagram, TV & radio	
Facebook, Instagram, TV & radio	
Other (please specify)	

<b>Q18. What style of service did you experience during your visit at the CTHSSOR?</b>	
Buffet style (displayed food to choose from for everyone)	
A la Carte style (I chose the dish I wanted from a list)	
Butler style (student walked around with platters of snacks to chose from)	
Set Menu style (two and more dishes were already chosen for me and/or have two options for each course)	



<b>Q19. What service style do you prefer?</b>	
Buffet	
A la carte	
Set menu	
Butler	

<b>PLACE</b>	<b>Q20. Please tell me about the restaurant facilities</b>				
	<b>Strongly Agree</b>	<b>Agree</b>	<b>Neutral</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
Easy to find					
Adequate parking					
Clean toilets					
Clean dining area					
Safe and secure					

<b>PRODUCT</b>	<b>Q21. What are your thoughts on the menu you chose?</b>				
	<b>Strongly Agree</b>	<b>Agree</b>	<b>Neutral</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
Menu variety is wide					
Portion sizes are satisfactory					
Food presentation is attractive					
Food is flavoursome					
Food temperature is correct					
Food is fresh					
Dietary requirement were met					

<b>PEOPLE</b>	<b>Q23. What do you think of the student servers?</b>				
	<b>Strongly Agree</b>	<b>Agree</b>	<b>Neutral</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
Approachable					
Knowledgeable					
Student anticipated my needs					
Student gives prompt service					
Student pays attention to special requests					
Student served the correct order					
Student is confident and comfortable to communicate					

PRICE	Q24. What do you think of the price and payment methods?				
	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Payment method is convenient					
The food quality was good for the price I paid					
The bill is error-free					
Paying more than I budgeted					
Food is expensive					
Beverage is expensive					
I would be interested in a loyalty programme					

PROMOTION	Q25. Why would you return to the CTHSSOR?				
	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Food					
Staff					
Place					
Promotion					
Overall experience					
Other (please explain)					

Q26. Is the restaurant suitable for the following types of customers?		
	Yes	No
Families with children		
Elderly people		
Physically limited individuals		

## APPENDIX E: REQUEST FOR CTHS RESTAURANT CUSTOMER MAILING LIST



### RESTRUCTURING OF DATA COLLECTION: CAPE TOWN HOTEL SCHOOL

After discussions, including with Professor JP Spencer, my supervisor, regarding the collection of information for my study, I thank you once again for permitting me to collect data at the Cape Town Hotel School restaurant. As you are aware the initial research plan was to collect data from the restaurant on-site for buffet, set menu, and a la carte customers, and to collect online for the butler service. On-site data collection will not be possible because of the Covid-19 pandemic, and it now goes against the national lockdown regulations to meet with numerous persons. The national lockdown imposes physical distancing regulations that aim to minimise human contact to reduce the spread of Covid-19, and this has led to the temporary closure of hospitality establishments, including restaurants.

Therefore, I would like to request access to the CTHS restaurant customers' mailing lists, to email the survey questionnaire to all the customer who are available, and who may be interested in participating in my survey. Access to customer emails will allow me to proceed with the study without waiting for the lockdown regulation to be lifted. Please sign below to confirm our discussions, and your permission to access CTHS customers.

Operations Manager:

A handwritten signature in black ink, appearing to be "L. Christians".

Functions Coordinator: Lauren Christians

A handwritten signature in purple ink, appearing to be "Lauren Christians".

18 March 2020

Supervisor: Professor JP Spencer

A handwritten signature in blue ink, appearing to be "JP Spencer".

## **APPENDIX F: GRAMMARIAN CERTIFICATE**

22 Krag Street

Napier

7270

Overberg

Western Cape

25 September 2020

### **LANGUAGE & TECHNICAL EDITING**

**Cheryl M. Thomson**

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#### **CUSTOMER PERCEPTIONS OF SERVICE QUALITY IN A STUDENT-OPERATED RESTAURANT IN CAPE TOWN**

Professor JP Spencer

This is to confirm that I, Cheryl Thomson, executed the language and technical editing of the above-titled Master's mini-dissertation of ASANDA PINKY MTUKUSHE, student number 206217099, at the CAPE PENINSULA UNIVERSITY OF TECHNOLOGY in preparation for submission of this mini-dissertation for assessment.

Yours faithfully



**CHERYL M. THOMSON**

Email: cherylthomson2@gmail.com

Cell: 0826859545