

# **Factors Influencing Customer Satisfaction & Customer Delight in Fine Dining Restaurants**

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**Abstract: Motivation and Problem Statement** In a competitive marketplace, particularly the QSRs and Fine Dining Restaurants segment, businesses are facing increased competition from each other. In this hypercompetitive environment organizations must go beyond providing customer satisfaction and give their customers the “Wow” Factor in order to gain a competitive edge. In today’s time, ‘Customer Delight’ or ‘Customer Experience’ is seen as the key differentiator. The purpose of this study is to identify such factors, which lead to customer delight specifically in the Fine Dining category. Significance of study of factors affecting customer delight would help businesses to analyse which factors of a product or service is considered most important by a customer. Businesses can identify their own strengths and weaknesses and their position with respect to competitors. It would also help firms to win back their lost customers and identify new opportunities for growth.

**Keywords:** Customer Satisfaction, Customer Delight, Fine Dining

## **I. INTRODUCTION**

In regard to our research we have defined Fine Dining restaurants as those having superior service, ambience and food quality. The restaurant has the following features:

- Exceptional Food with importance on visual presentation
- Refined atmosphere and well-dressed staff
- Décor is tasteful and elegant
- Price is premium, anywhere above INR 2000 for a meal for two people
- Serves 5 course or 7 course meals

### *A. Objectives*

- To study how service quality effects in customer satisfaction in fine dining restaurants
- To list down factors contributing to the customer delight in fine dining restaurants
- To derive a framework for companies to help them retain and attract new customers

### *B. Data Collection*

1) *Primary Data:* Questionnaires would be administered to customers of Fine Dining Restaurants for the purpose of collection of primary data and results obtained would be analysed. The main focus of the questionnaire would be towards getting the factors contributing towards the customer delight and factors affecting towards the customer satisfaction. The sample size is determined using online tools. For the purpose of our research, a sample size of 108 is taken considering a confidence level of 95% and margin of error of 9-10%

2) *Secondary Data:* Secondary data will be used for the purpose of the study. Secondary data from research papers, journals and e-books will be collected and analysed. Around 20-25 research papers will be viewed for this study.

### *C. Data Analysis*

Appropriate statistical tools would be used for data analysis  
Software: SPSS, Microsoft excel

### *D. Sampling Method Used and Size of Sample*

Random Sampling or Convenience Sampling method would be used to collect data for the purpose of study. Customers would be targeted based on lifestyle traits such as location, disposable income, profession etc.

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## *E. Limitations*

Sampling Biases may be involved  
Scope of the study would be limited to Pune region  
Sample size would be limited and results would be generalized

## II. REVIEW OF LITERATURE

### *A. Customer Satisfaction and Service Quality*

Harr L.K.K (2008) explores the service dimensions which impact customer satisfaction of Singaporeans. Harr uses the five service dimensions defined by Berry, Zeithaml and Parasuraman (1988) which are assurance, empathy, reliability, responsiveness and tangibles. A proper understanding of these service dimensions would help restaurant operators to improve their services which in turn would lead to increased customer satisfaction. From his study Harr observed that personalized attention and the service staff's ability of doing the extra bit for customers were the highlighting reasons for their perceptions of high level of service quality.

Gunaratne A., Wilson G. and Diego S.J. identify the various attributes linked with customer satisfaction in fine dining restaurants. The researchers explain five attributes which have a narrow 'zone of tolerance' for the customers. The authors suggest that restaurant owners must focus on those areas where performance of service attributes is not contained by the zone of tolerance to plan for improvements in service quality and customer satisfaction. Further it was explained that factors related to 'employees', 'ambience of restaurants' and 'food quality' had a significant impact on the satisfaction of customers.

Voon H.B. (2010) examines the factors that determine service quality especially for the youth. Through his paper he also studies the importance of services cape, food quality and prices from the perspective of youth. The study was conducted across fine dining, fast food and food court restaurants. It was found that human service and price influenced customer satisfaction and loyalty to a large extent.

### *B. Customer Delight*

Hanselman A. (2011) talks about the six ingredients which contribute to customer delight. Customer delight is defined as surprising the customers with the level of service provided or in other terms exceeding the expectations of customers. The six ingredients of Customer Delight according to Hanselman are: it should produce a 'wow' reaction, must be unexpected, must make the customers feel valued, must have a personal touch, must be genuine and should make the customers talk about it.

Toister J. (2013) explains the difference between satisfaction and delight. Customer Satisfaction is when expectations are met whereas delight occurs when the service exceeds expectations. When the service falls short of expectations it is said to be a service failure. Toister points out that customers only remember those experiences which are different from their expectations and hence delight plays a key role in providing this experience. He further explains that service failures cannot be completely avoided by any firm and hence must be seen as an opportunity to create delight by fixing the issue with style and grace.

paper tells about customer delight reasons, the findings and managerial insight. Data from two different service, structural equation results support the proposition that unexpected high levels of satisfaction or performance initiate an arousal that leads to pleasure (positive affect) which intern lead to delight sequence. Mixed result were there of pleasure and arousal in terms of delight

### *C. Customer Loyalty*

Rasha A.E. (1993) intends to find the dimensions of image of a fine dining restaurant and the dimensions of customer satisfaction towards it. She aims to understand how the image of a restaurant influences the decision of customer to come back to the restaurant. It was found that customers' perception on overall image, menu variety, friendliness of service staff, quality were the key determinants of the loyalty of a customer to a particular restaurant.

In Fine Dining restaurants the target segment is usually the upscale market or upper middle class of society and they pay not only for the service but also for the prestige, luxury and status associated with it. Hence it becomes important for restaurant managers to maintain a consistent image along with overall satisfaction of the customers. (Chon, 1990)

This study talks about the link between the customer satisfaction and the repeat purchase intention. The sample taken is a family restaurant in the study. The results show that adjusted expectations can mediate the effect of customer satisfaction (CS) on repeat purchase intension (RPI).The link between the CS and RPI for low loyal customer and high loyal customer is different. Customer satisfaction has no direct influence on the repeat purchase intention for the low loyal customer. Hence it can be stated that CS and RPI has a direct relation for the loyal customer

### *D. Factors Important for Customer Satisfaction*

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This paper is about whether restaurants satisfy customer needs or not. During the survey the customers were asked to tell about their willingness and wish to pay on the basis of six factors: food quality, service quality, fine cuisine, restaurant interior and decor, good company and other customers. They were also asked to rate an ideal restaurant experience and then the latest restaurant experience. The paper research result clearly indicate that social needs are important for customers at evening restaurants whereas physiological needs dominate for customers at lunch restaurants.

This research is done to prove that food quality is an important factor for customer satisfaction. In many research food quality is neglect thought it is one of the most important aspect. The study shows that the food quality as significant affect on the customer satisfaction & the behavioural intention and it also shows that the relationship between food quality & customer behavioural intentions is mediated by customer satisfaction. Regression analysis was carried out and it was observed that the two main factors are the taste and the presentation. Hence restaurant should pay attention to these two factors to achieve customer satisfaction.

This study talks about the customer satisfaction & the value of drivers of business in a fine dining restaurants. For Restaurant knowledge of the relationship is important between key variables such as customer attitudes, customer satisfaction, perceived value of a customer, and customer intentions is important to achieve success in this competitive fine dining industry. The research talks about the influence of customer satisfaction, customer value and also on the intention to recommend a fine dining restaurant. Recommendations are provided for restaurant to increase customer satisfaction and retention.

### III. ANALYSIS

#### A. What is Your Age (in Years)?

- 20-30
- 31-40
- 41-50
- 51-60
- Above 60

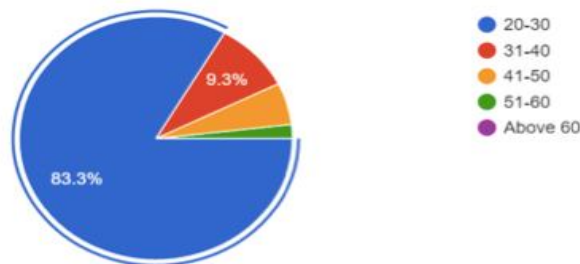


Fig 1: Age Distribution

From the analysis it is concluded that max of the respondents are between the age group of 20-30 years (i.e. 83.3%), least respondents are of age group between 51-60 years (i.e. 1.9%) and there were no respondents of age group above 60 years

#### B. What is Your Gender

- Male
- Female

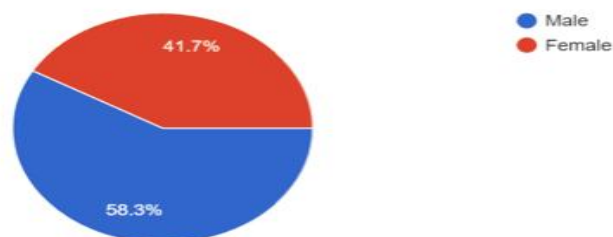


Fig 2: Gender Distribution

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From the analysis it was observed that we had a fair mix of responses from men and women in different age groups.

### C. Why Do You Visit A Particular Fine Dining Restaurant

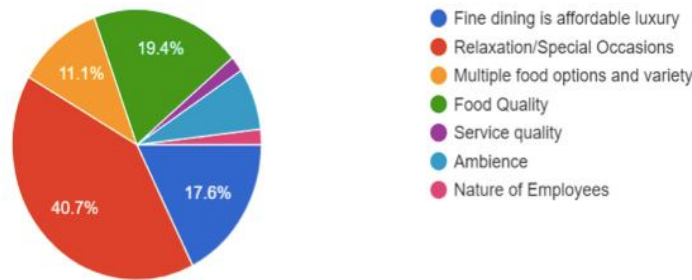


Fig 3: Visit a particular Fine dining restaurant

The analysis showed that maximum of the customers visit fine dining restaurant for relaxation/special occasions (i.e. 40.7%) while only 1.9% of the customers felt that they go to a particular fine dining restaurant because of the nature of employee.

### D. What Prompts You To Select A Fine Dining Restaurant

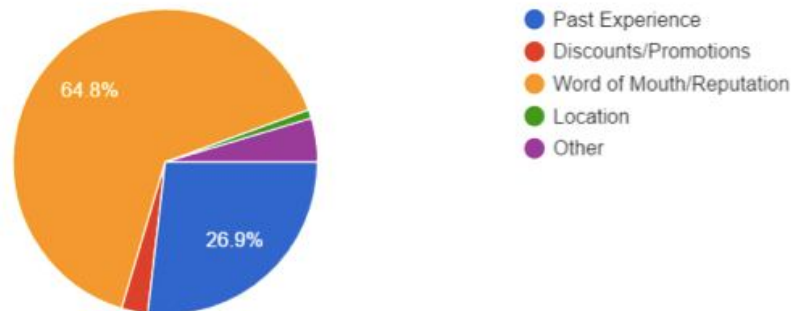


Fig 4: Selection of a Fine Dining Restaurant

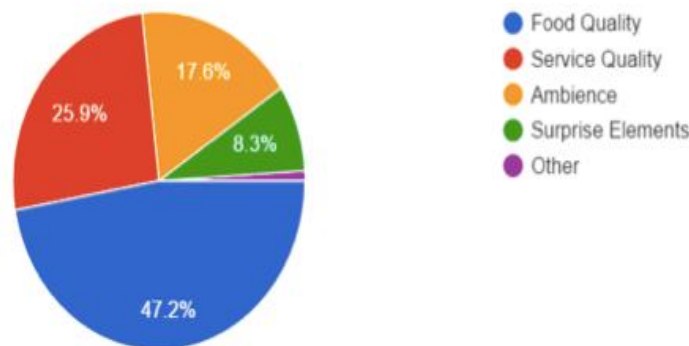


Fig 5: Factors contributing to customer delight

Most of the respondents chose a particular fine dining restaurant because of the word of mouth/reputation (i.e. 64.8%) and very small number of respondents (i.e. 0.9%) believe that they select a fine dining restaurant because of the location.

### E. According To You Which Factor Contributes The Most To 'Customer Delight' in A Fine Dining Restaurant

From the analysis it is very clear that for respondents the most important factor for customer delight is the food quality (i.e. 47.2%)

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and few very number of respondents believe that surprise element factor contributes towards the surprise elements (8.3%) and only one respondent believe that there could be other factors other than the mentioned one for the customer delight.

### F. On A Scale Of 1 To 5 Rate The Following Aspects Of Food In Terms Of Relative Importance To You At A Fine Dining

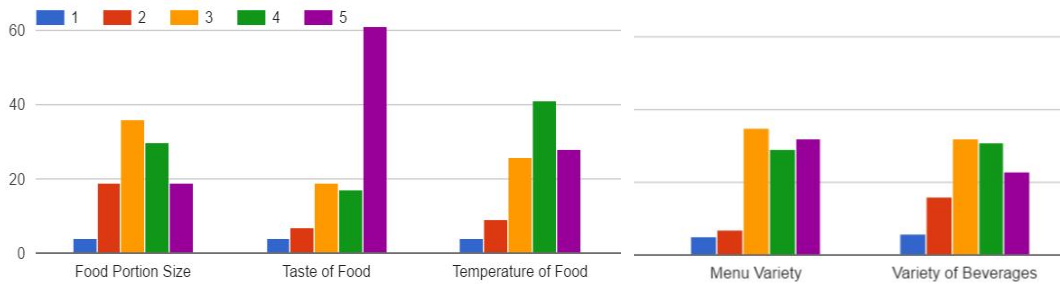


Fig 6: Aspects of Food

65% of the respondents gave highest importance to taste of food in a Fine Dining. Variety of Beverages and Food portion size were given less importance by the customers.

### G. On A Scale Of 1 To 5 Rate The Following Factors Related To Restaurant Ambience In Terms Of Relative Importance To You At A Fine Dining Restaurant

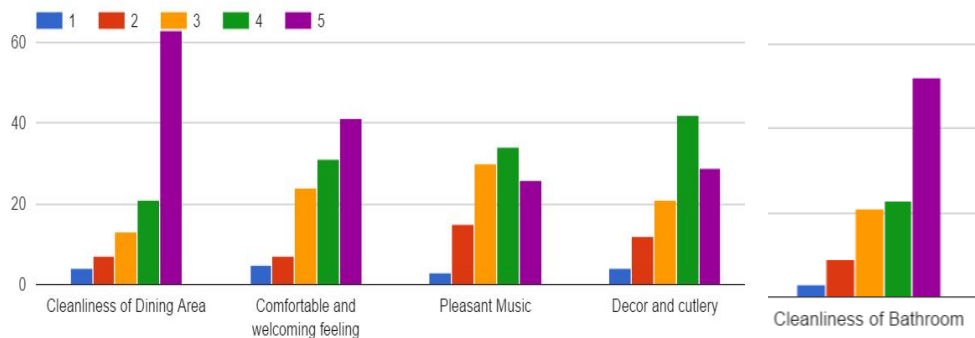


Fig 7: Restaurant Ambience

In terms of restaurant the customers considered ambience cleanliness of dining area most important where 84 out of 108 respondents agreed that dining area must be clean. Cleanliness of bathroom was the next most important aspect.

### H. Please rate the following factors on a scale of 1 to 5 which would create a memorable dining experience for you

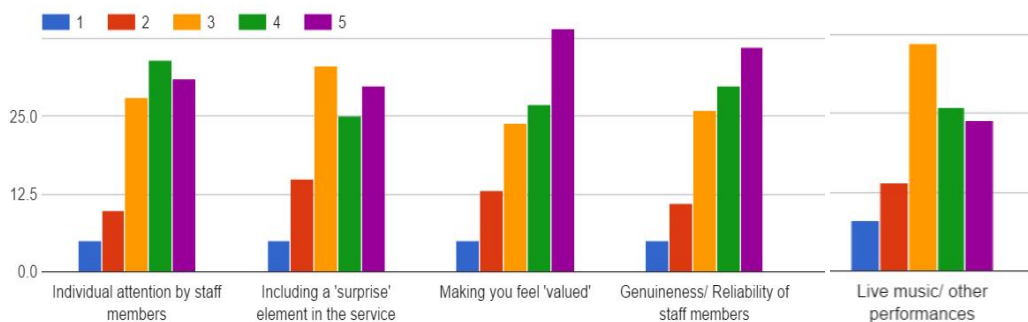


Fig 8: Memorable dining experience

In creating a memorable dining experience customers believed that making them feel valued, giving individual attention and a genuine behaviour by the staff members would go a long way.

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### I. What Suggestions Do You Have For Improving The Quality Of Service In A Fine Dining Restaurant

Respondents were asked an open ended question regarding their suggestions in improving the quality of a fine dining restaurant. The responses are summarized below:

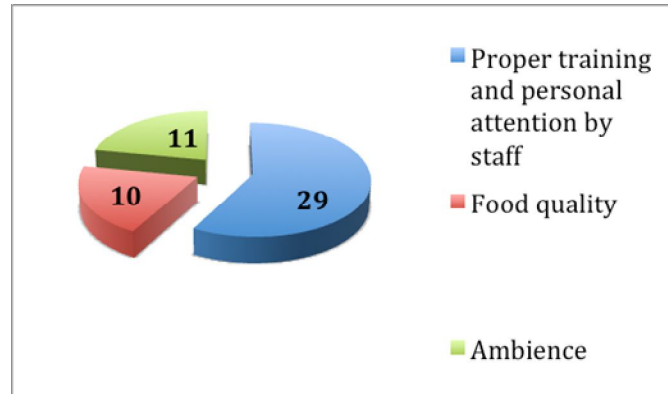


Fig 9: Improving service quality

Majority of the respondents gave a major importance to the behaviour of the staff and their training. The next important aspects suggested by the customers were improvement in Food Quality and Ambience. Some of the suggestions regarding staff members were:

Proper training of Staff members

Customer Friendly Staff

Giving personal attention to the customers

Providing quick service

Respondents also suggested an improvement in Food quality, menu variety, presentation of food and proportion of food served.

Importance was also given to cleanliness and hygiene of the restaurant and a pleasant ambience.

### J. What According To You Can Be Done By Fine Dining Restaurants To Provide A Delightful Experience To Customers

Respondents were asked their opinions on what could be done by restaurants to provide a better delightful experience to customers.

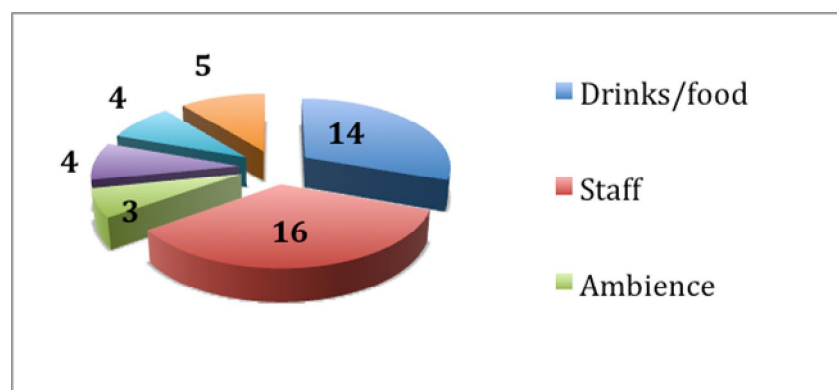


Fig 10: To achieve customer delight

Customers gave importance to various aspects of the staff which would lead to a delightful experience for them. Some of these were:

Treating customers with warmth

Personal touch by the staff members

Providing good assistance

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Other noteworthy points suggested by the customers for a delightful experience were: Having a surprise element surprise or return delights Welcome drinks Calling mechanism where customers can call the staff members only when required Theme nights Respondents were asked to rate various attributes of a fine dining restaurant based on the Servqual Model which includes five factors-reliability, assurance, tangibles, empathy and responsiveness. The respondents were asked to rate these parameters on a Liker Scale on their expectations from an ideal fine dining restaurant.

This section deals with your opinion of fine dining restaurants. Please show the extent to which you think fine dining restaurants should possess the following features. These are based on your expectations from ideal fine dining restaurants in Pune.

66% of the respondents said that they strongly agree that restaurants should take a sincere interest in solving any issues faced by the customer. 87 out of the 108 respondents surveyed also agreed that when a restaurant promises to do something by a certain time it must do so. All these point to a high reliability expectation from the customers' view point. The next most important factor was 'Assurance' by the staff members.

The next question that customers were asked was based on their perception and whether it matches with the expectations from a Fine Dining Restaurant.

This section deals with the perception of service experienced in Fine Dining Restaurants. Please show the extent to which these statements reflect your perception of service in Fine Dining restaurants in Pune.

Only 32% respondents strongly agreed to the fact that restaurants actually took a sincere interest in solving the customer's problems. Respondents were also asked an open ended question to give their suggestions on improving restaurant service quality.

**Customer Service Gap** In the subsequent questions customers were asked to rate various parameters in the SERVQUAL model based on their expectations and the reality from a fine dining restaurant on a Likert Scale. The customers evaluated 20 parameters on a Likert scale. The mean of these ratings were taken to find out the gap between what is expected from an ideal fine dining restaurant vis-à-vis what is actually obtained.

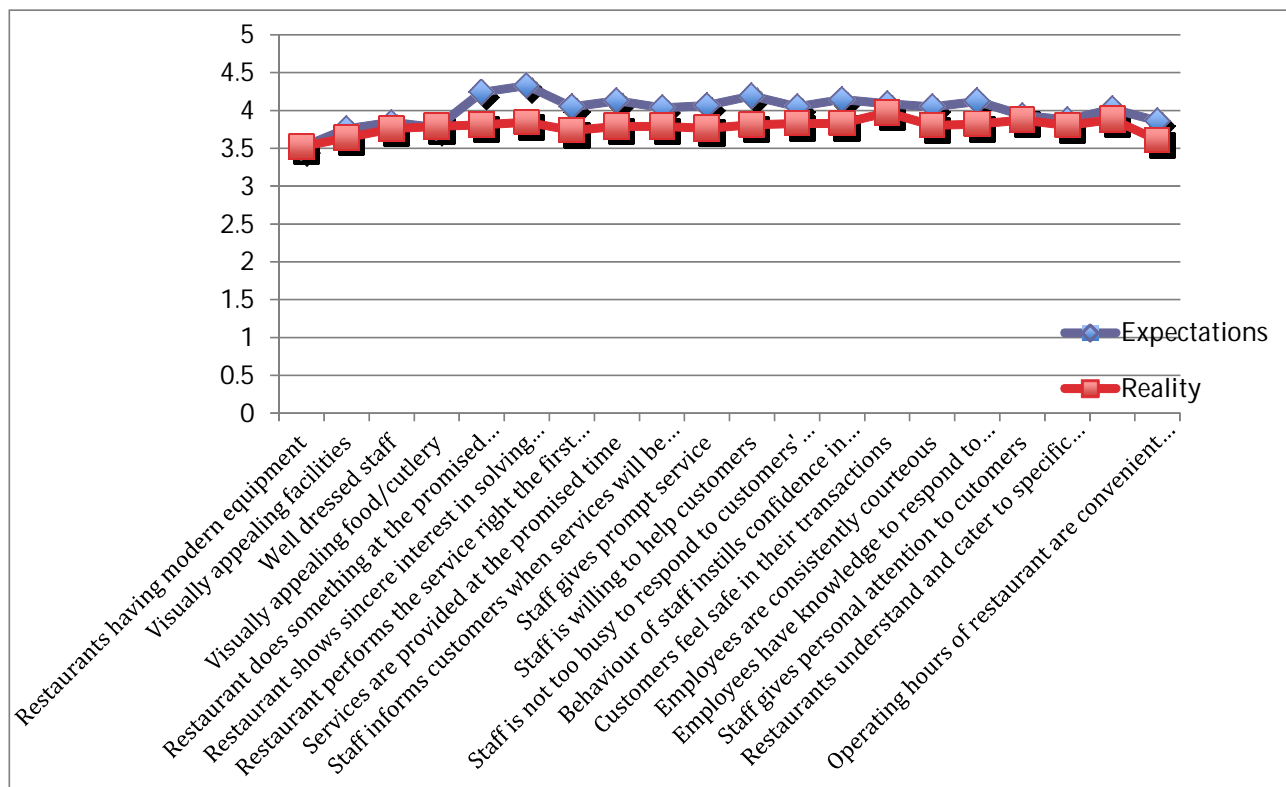


Fig 11: Gap between expectation and reality

From the above graph it is clearly identified that in majority of the cases customers' expectations do not match with his actual perceptions or experience and as a result customer is dissatisfied. The top three reasons for customer dissatisfaction as observed from the graph are:

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When restaurant promises to do something at a certain time but fails to do so:

Restaurant does not show sincere interest in solving customers' problems:

Staff is unwilling to help the customers The above 3 factors show the Delivery Gap i.e gap between Service Quality Specification and Service Delivery. This gap occurs when organisations specify the service to be delivered but fail to train their organisations/staff to deliver the service. As a result the employees of the restaurant are ill equipped to handle customer needs or problems.

### IV. CONCLUSIONS

Fine dining restaurant has been defined as that having superior ambience, service and food quality. In this study different factors contributing towards the customer satisfaction and customer delight were obtained. A survey was taken for 110 respondents which highlighted the major contributing factors. The questionnaire prepared was on the basis of SERVQUAL model.

Respondents were asked the questions on their expectations and perception about the fine dining restaurant. If the [Perception - Expectation] was positive then it meant that the customer's actual experience with the service has been better than expected and the customer is satisfied. Research showed that the most important factors for customer satisfaction in fine dining restaurant are food quality and service quality. Food quality includes factors like taste of food, temperature, quantity of food etc. while the service quality includes factor like customer friendly staff, proper training of employee's, cleanliness etc. So if a restaurant improves these factors then the chances of achieving customer satisfaction are higher.

However there is a thin line between customer satisfaction and customer delight. To make a customer loyal in the long run it is necessary that the customer is delighted with his experience of the service. A delighted customer helps in increasing positive WoM and building credibility for the brand. From the research few factors were identified that lead to customer delight like welcome drinks, theme party, surprise gift/discount, waiter on call. Customer delight can be achieved from any small factor or effort done by the restaurant that brings about a WOW factor.

Each and every restaurant today tries to reach for customer delight though many are able to reach a level of customer satisfaction. To achieve customer delight it is the additional (differentiating/new/customer friendly) bit that is done after reaching a level where all the customers are satisfied.

The objectives of our study were to find out the effect of service quality on customer satisfaction. From our study it was found that when customers visit a fine dining restaurant, their most basic expectation is to get quality and quick service and a welcoming staff. When respondents were asked about what improvements they would want in order to get a satisfactory experience, majority responded by saying that they would want a staff that is well trained and courteous and well equipped to handle customer issues. If a restaurant fails to provide a good service then the customer ends up being dissatisfied and may not visit the restaurant again.

We found that the main reasons for customer dissatisfaction were due to a Service Delivery Gap i.e. Gap between service specification and delivery of service. This occurs mostly due to insufficient or improper training of staff, poor coordination among employees or incapability/unwillingness to meet the desired service standards.

Through our study we also aimed to list down the various factors that contribute to customer delight in fine dining restaurants. The opinion of customers was taken to find out what they would like to get a delightful or memorable experience. The factors are listed as follows:

Being offered with welcome drinks

Having a surprise element in the menu such as new cuisines or theme nights

A calling mechanism on the table to call the waiters only when required so that customers are not disturbed frequently

Return delights or small surprise gifts/gestures by the staff such as a recipe booklet of signature dishes

We also aimed to develop a framework for restaurants, which can be incorporated by them to keep their customers happy. The framework has been showed in the next chapter as part of recommendations.

### V. RECOMMENDATIONS

From our sample survey it was found that Word of Mouth plays the most important role in bringing customers to a fine dining restaurant. Any customer would be satisfied if he receives quick service, good food and a pleasant ambience. However to ensure that customers are delighted, restaurants must go the extra mile to provide a superior dining experience to its customers, as many of them also come to these places for special occasions. A superior dining experience, attention to detail and making the customers feel 'valued' will make more customers talk about their restaurant and refer it to their friends and also ensure that customers come back. Understanding customer preferences, their likes and dislikes and creating targeted campaigns and promotions around these would also help in attracting new customers and retaining old ones.



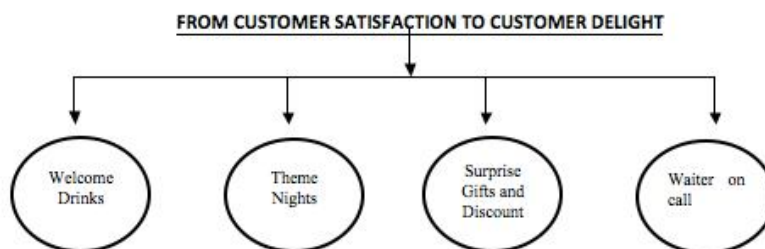
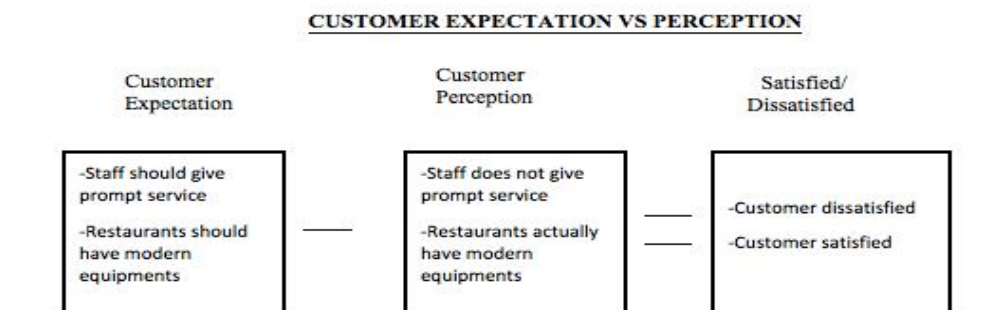
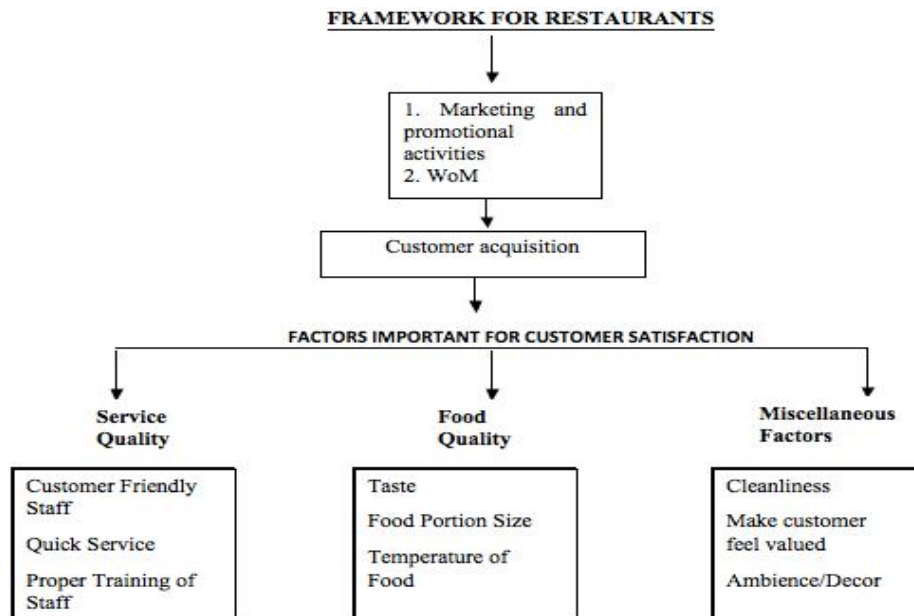
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For example restaurants can promote events or theme nights on separate days of the week for couples, corporates, senior citizens  
 Loyalty programs that offer experiential benefits such as weekend getaways for two, wine tasting sessions, introductory offers on new menu items and cooking classes

Offering complimentary welcome drinks such as juices or mock tails to every customer would make them delighted and would not cost much to the company

Surprise elements such as a new menu every week or return gifts such as redeemable coupons/ recipe books

In a fine dining restaurant, customers visit for the experience and the ambience hence it is all about providing an experience that customers would remember for a long time. Such restaurants must train their employees to be courteous to customers at all times, handle their issues and problems promptly and provide a hassle free experience to their guests.



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