



## QUALITY RATING IN EXPERIENTIAL SERVICES WITH REFERENCE TO RESTAURANTS

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### Abstract

Many service organizations such as airlines, banks, and hotels have well developed quality assurance systems. Most of them are, however, generally based on manufacturing analogies and tend to be more product-oriented than service-oriented. However, service organizations have special requirements that manufacturing systems cannot fulfill. The most significant aspect of service delivery is that it is typically measured at the customer interface mainly based on customer experience. Hence, if a problem occurs, it will be too late for correction. With this background, the objectives of the research are to find the quality parameters for experiential services and to correlate the customer's feedback with quality factors. The study makes use of quality control tools and arrives at the fact that quality has a direct impact on service. The outcome of the study is the process chart, which can help restaurants to maintain and increase their quality ratings. The process chart also provides both consumers and industry watchers a means for monitoring quality on a timely basis using objective performance related data.

**Keywords:** *Experiential Services, Quality Rating, Restaurants Management, Software as a Service, Quality Management, Customer Satisfaction*

### 1.0 INTRODUCTION

Today achieving customer satisfaction is an important objective of the organizations and quality management (QM) is the most effective approach to achieve this objective. The QM is an embodiment of concepts, methods and applications. It is a philosophy that underlines the organizational transformation that enables organizations to reap real benefits from improvement in quality performance and competitiveness. Under competitive pressures, organizations need to learn faster and lead in best practice for business excellence. Indian organizations have come to understand that, in order to stay competitive, an improvement in organizational quality performance is necessary. Thus, organizations started to implement quality management (QM) in order to generate a competitive advantage. In the wake of globalization and liberalization of the economy, Indian companies are facing intense competition from the companies all over the world. They have to compete with multinationals both at domestic as well as International market. So product quality and service quality have emerged as key issues. Indian companies are viewing ISO 9000 as the starting point for total quality management since it requires the setting up and implementation of a management system that ensures consistent products and services at a particular level of quality. For many hotels that might not be able to make huge capital investments, customer service might be the only way to add real value and stand out from the high competitive market place.

Quality management has four components: quality planning, quality control, quality assurance and quality improvement. Quality management is the act of overseeing all activities and tasks needed to maintain a desired level of excellence. This includes creating and implementing quality planning and quality assurance, as well as quality control and quality improvement.

However, measuring the inputs and processes that create quality service is a tough challenge. Defects in intangibles such as problem solving, decision making or project management are much more difficult to spot and correct than defective raw materials or problems on the line. Yet, these often invisible inputs and processes are just as fundamental to providing high quality service and support as high quality inputs and processes are to manufacturing.

### CHARACTERISTICS OF QUALITY IN SERVICE SECTOR

- Quality issues have to be dealt with on the spot and on time.
- Co-operation between service producers and service consumers influences the effects of service treatment.
- Customers do not propose standards and official requirements for service specifications; Requirements may vary considerably from customer to customer.
- The quality of service is difficult to measure and quantify. In addition, when a customer is dissatisfied, identifying the problem may prove difficult.
- The level of quality expected is unpredictable. The most significant problem with the delivery of services is that it is measured at the customer interface, the one-to-one and face-to-face interaction between supplier and customer. If a problem occurs, it is too late for correction. (Rose 1994).



### Quality in service Organization

The most important dimensions of service quality include:

**Completeness:** Are all the items in the order included?

**Consistency:** Are services delivered in the same fashion for every customer?

**Accessibility and convenience:** Is the service easy to obtain?

**Accuracy:** Is the service performed right the first time?

**Responsiveness:** Can service personnel react quickly and resolve unexpected problems?

## 2.0 LITERATURE REVIEW

According to Bowen and Headley (2012), in the airline industry, the most important quality improvement factors were found to be top management commitment, customer satisfaction and common vision. The most common reasons for setting up quality programs were, cost control or reduction, customer retention, and quality initiatives of competitors. The most challenging factors were top-down commitment, corporate culture changes and common vision. In one third of the companies, the staff initiated the quality program on its own; the other two thirds combined staff efforts with consultant activities.

The article discussed airline quality rating which was developed and first announced in early 1991 as an objective method for assessing airline quality based on combined multiple performance criteria. Few airlines made extensive use of quality tools like Pareto charts and cause-effect programs, while most companies did not measure quality costs. Of companies with quality programs, ratings of very satisfied or satisfied were given by 63% to goals; by 38% to education and training; and by 44% to management involvement. Combining the survey data with information from six case studies of European and North American airlines revealed that these problem areas were -poor vision-mission-goals structure, dissatisfaction with training, inadequate commitment and involvement of top management, and insufficient employee empowerment.

The very application of the TQM to education emphasizes the synergistic relationship between the “suppliers” and “customers”. The concept of synergy suggests that performance and production are enhanced by pooling the talent and experience of individuals. In a classroom, teacher-student teams are the equivalent of industry’s front-line workers (Dheeraj Mehotra, 2000), The product of their successful work together is the development of the student’s capabilities, interests, and character. The second pillar of TQM applied to education is the total dedication to continuous improvement, personally and collectively. This principle also focuses on students’ strengths, individual learning styles, and different types of intelligences. The third pillar of TQM as applied in academics is the recognition of the organization as a system and the work done within the organization as an ongoing process. The primary implication of this principle is that individual students and teachers are less to blame for failure than the system in which they work. The fourth TQM principle applied to education is that the success of TQM is the responsibility of top management.

According to Rashi Agarwal, 2010, a comprehensive definition of quality health care would be, “The optimal achievable result for each patient, the avoidance of physician-induced (iatrogenic) complications, and attention to patient and family needs in a manner that is both cost effective and reasonably documented.” It is established from the study that accreditation to quality management system, provides a competitive advantage in the health care industry and strengthens community confidence in the quality and safety of care, treatment, and services. Overall it improves risk management and risk reduction and helps organize and strengthen patient safety efforts and creates a culture of patient safety. Not only does it enhance recruitment and staff education and development, it also assesses all aspects of management and provides education on good practices to improve business operations.

In case of hotels, that might not be able to make huge capital investments, customer service is the only way to add value and stand out in the highly competitive market place and to enhance quality (Joseph Smith, 2012). The seven steps to improve service quality in such hotel were: Establishing a service culture, Focus on quality and not quantity, listening to your employees, empowering your team, being Online and on time, responding to new challenges and prioritizing so that issues are addressed quickly and efficiently when they come up.

## 3.0 STATEMENT OF THE PROBLEM

As elaborated by many researchers, in order to remain competitive, the hospitality industry must consistently adopt the quality enhancement approach. As customers become more adept at finding the best quality restaurants, the hospitality organizations face increasingly intense worldwide competition. Considering the severe competition and nature of the industry, managers have to acquire more knowledge in order to consistently provide the best services. What is more, customer’s preferences can be numerous and changeable, requiring employees and managers to understand the changes and



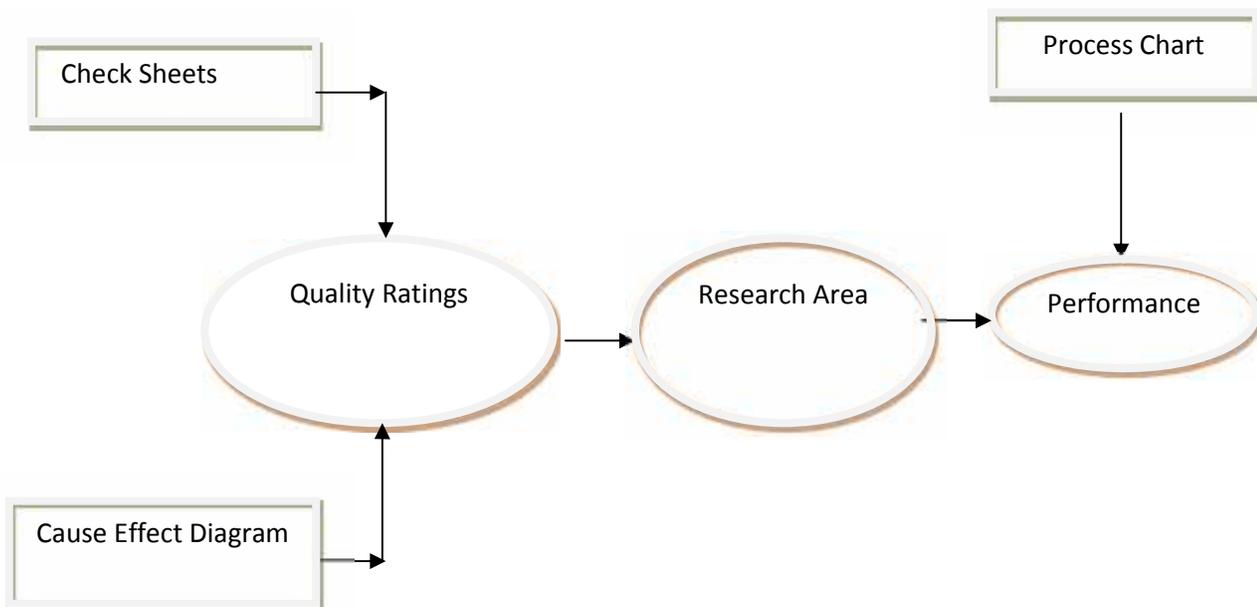
continue to provide the best experience. Hence, there is a need for a mechanism to analyze, adopt and refine the requirements.

The majority of the quality ratings available in the past have relied on the subjective surveys of consumer opinion. These opinions are collected frequently. These approaches yield a quality rating that is consistently adaptable. Following a similar approach, the present research has developed a process chart based on customer feedback which consistently updates the quality rating based on the requirements.

### CONCEPTUAL MODEL OF THE STUDY

This research study intends to find answers to the research problem in a systematic fashion by developing frameworks as indicated in figure 1, gathering data, analyzing using quality control tools and formulating the conclusions based on the data and research findings.

Figure No 1 : Framework for the research



Source: Authors

### 4.0 OBJECTIVES OF THE STUDY

As of late, interactions with the organization are centered around the experience had by the customer, rather than just the functional benefits following from the products and services delivered. The objectives of the study are to analyze the experience of the customer and to evaluate the phenomenon

- To find the quality parameters for experiential services
- To develop the process chart for process improvement

### 5.0 SCOPE OF THE STUDY

A study was conducted to understand the different variables affecting service quality in the hospitality sector. The present study has studied sixty one restaurants and gathered the required information. After analyzing the information collected, a pattern was developed to evaluate the quality ratings. Even though a lot of quality analysis and rating tools are available, this study has used three tools: Check sheets, Cause effect diagram and Process Chart.

### 6.0 RESEARCH METHODOLOGY

The research uses consumer opinion approaches that rely on consumer surveys and subjective opinions. The quality rating system provides both consumers and industry watchers a means for monitoring quality on a timely basis using objective performance related data.



### Sample Size

In order to get better results for the given problem, the perfect sample size must be determined size as on 90% confidence level which is calculated statically by the given formula.

$$n = p * q (z / c)^2$$
$$0.7 * 0.30 (1.645 / 0.1)^2$$
$$= 57.61$$

Therefore, sample size required is 58. (58+5%= 60)

**Unit of analysis:** Unit of analysis is a business growth solution company which has studied on sixty one hotels as customers during the period of 13<sup>th</sup> April to 23<sup>th</sup> May.

### Proposition of the Study

In service sector customer satisfaction has a direct impact on creating loyal customers. Feedback reflects the concerns as well as the level of expectation towards service quality from a customer point of view. Hence it is proposed that **Proposition 1: There is a positive relation between customer feedback and quality factors.**

As revealed by many researches, quality of most services depends largely on the quality of individuals providing the services. While a manufacturer may use technology, simplification and other techniques to lower the cost of the goods sold, the service provider often uses a variety of patterns to enhance the quality. Hence it is proposed that **Proposition 2: Quality factors differ in hospitality industry.**

### Data Collection Methods

Primary data is collected by direct interaction with the restaurant employees, managers and owners; through questionnaire and structured interview. Questionnaire was administered personally to respondents. Secondary data is collected through internet and company manuals.

**Sample Unit:** The case study was conducted on a restaurant's business growth solutions company which focuses on food establishments and has over a year of management experience in the food sector. The organization works on engagement models, where they engage existing and potential customers of the restaurants and link them directly to the respective restaurants. The organization provides marketing solutions, loyalty programs, customer engagements, coupons, CRM solutions, online ordering, table reservations, and feedback systems for the restaurants.

### QC tools used

**Check sheet:** The availability of different facilities/options is a vital element particularly for the restaurants. The check sheet helps to identify all the facilities that are needed and makes sure that all the requirements for the restaurant have been met.

**Process chart:** The two most important lessons today's quality practitioners learnt from W. Edwards Deming and the total quality management of the 1980s are that quality equals process, and managing an organization's process is crucial to ensuring its quality system. Flowchart is a diagrammatic representation that illustrates a solution model to a given problem and is the first step towards managing a process.

**Cause and Effect diagram:** A fishbone diagram, also called a cause and effect diagram, is a visualization tool for categorizing the potential causes of a problem in order to identify its root causes.

## 7.0 MAJOR FINDINGS OF THE STUDY

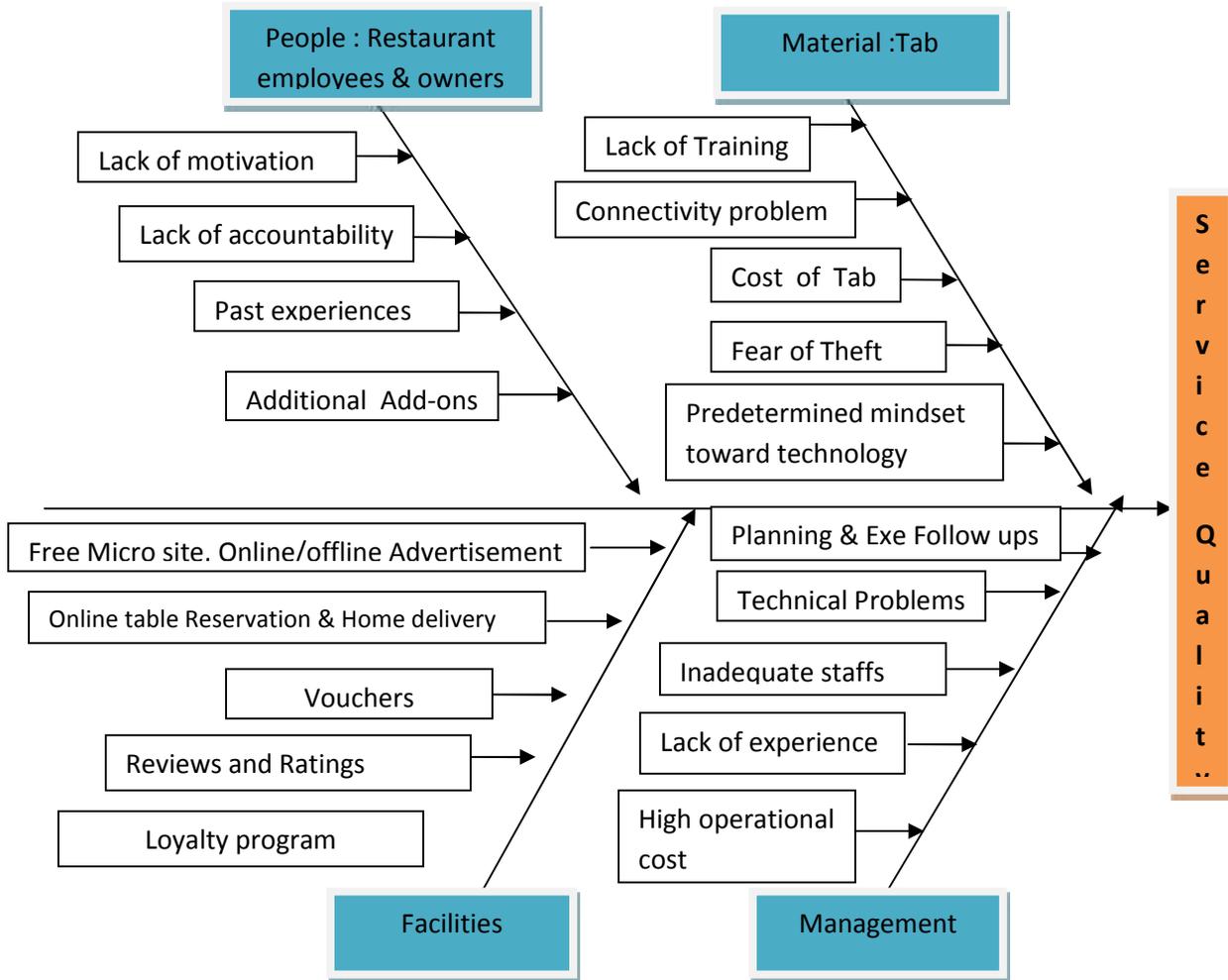
### Demographics Information

The restaurants in Bangalore, Karnataka included for the study consisted of four categories, specifically, International cuisines, North Indian cuisines, South Indian cuisines and Pastries. International cuisine consisted of Mediterranean, Arabian, Continental, Chinese, Italian, Japanese, Korean Caribbean, and Thai cuisines. 57% of the restaurant provided home delivery service and 90% of them were reluctant to provide home delivery since they needed the customers to come in to the restaurant in order to experience the food and service quality.

The major findings of the study are indicated in check sheets (annexure) and cause-and effect diagram shown in figure 2.



**Figure 2: Cause and effect diagram**



Source: Authors

In the study, Check sheets and Cause-effect diagram were used to quantify the quality ratings. Process chart is drawn to make suggestions and to overcome the problems that degrade service quality. It has been found from the study, that the usage of the integrated SAAS model can help restaurants in improving their service quality by adding value to customers. Some of the major findings of the study are:

**Check Sheet Observations**

It has been observed from the study that a majority of the restaurants are making use of Electronic Data Capture (EDC) machines for customer convenience. Most of the fine dine restaurants have facilities like air conditioners, Wi-Fi, television, dancefloor, kids zone with qualified care takers and liquor. In order to provide quality experience to customers, air conditioning facilities, and smoking areas are provided.



### **Cause Effect Diagram**

The cause-effect diagram to enhance the service quality of the restaurants is given in figure 2. Four specific causes identified from the cause effect diagram are: (a) People, (b) Materials, (c) Facilities, and (d) Management.

**People:** Lack of motivation and accountability may be the human factor affecting the quality, and hence might be the major constraint requiring attention.

**Materials:** To work effectively, a tab needs to be used, which acts as a medium that collects customer information and integrates with the cloud environment. However, problems with the network connectivity are seriously affecting the ability of restaurants to implement this. In order to overcome this, a pre analysis has to be done to identify the network which provides the best connectivity. Security measures must be put in place in order to ensure that tabs will not flow out through the doors. Proper training has to be given so that the service person can handle the tabs in an appropriate way and collect the customer's data.

**Facilities:** The facilities that have been provided by restaurants for enhancing service quality are: Online Table reservation, Online ordering, Advertising and promotion, Free Micro site, Free vouchers; which will increase the repeatability.

**Management:** Management in businesses and organizations is the function that coordinates the efforts of people to accomplish goals and objectives using available resources efficiently and effectively.

Major constraints faced by the organization are:

**Technical know-how-** Using technology to enhance quality, requires expertise, hence, investments must be made to gain technical knowledge in many aspects.

**Challenges from competitors-** It is a difficult and competitive task for organizations to strive for excellence in every dimensions of their product, when they face tough challenges put forth by competitors that offer products that are highly specialized in a single area.

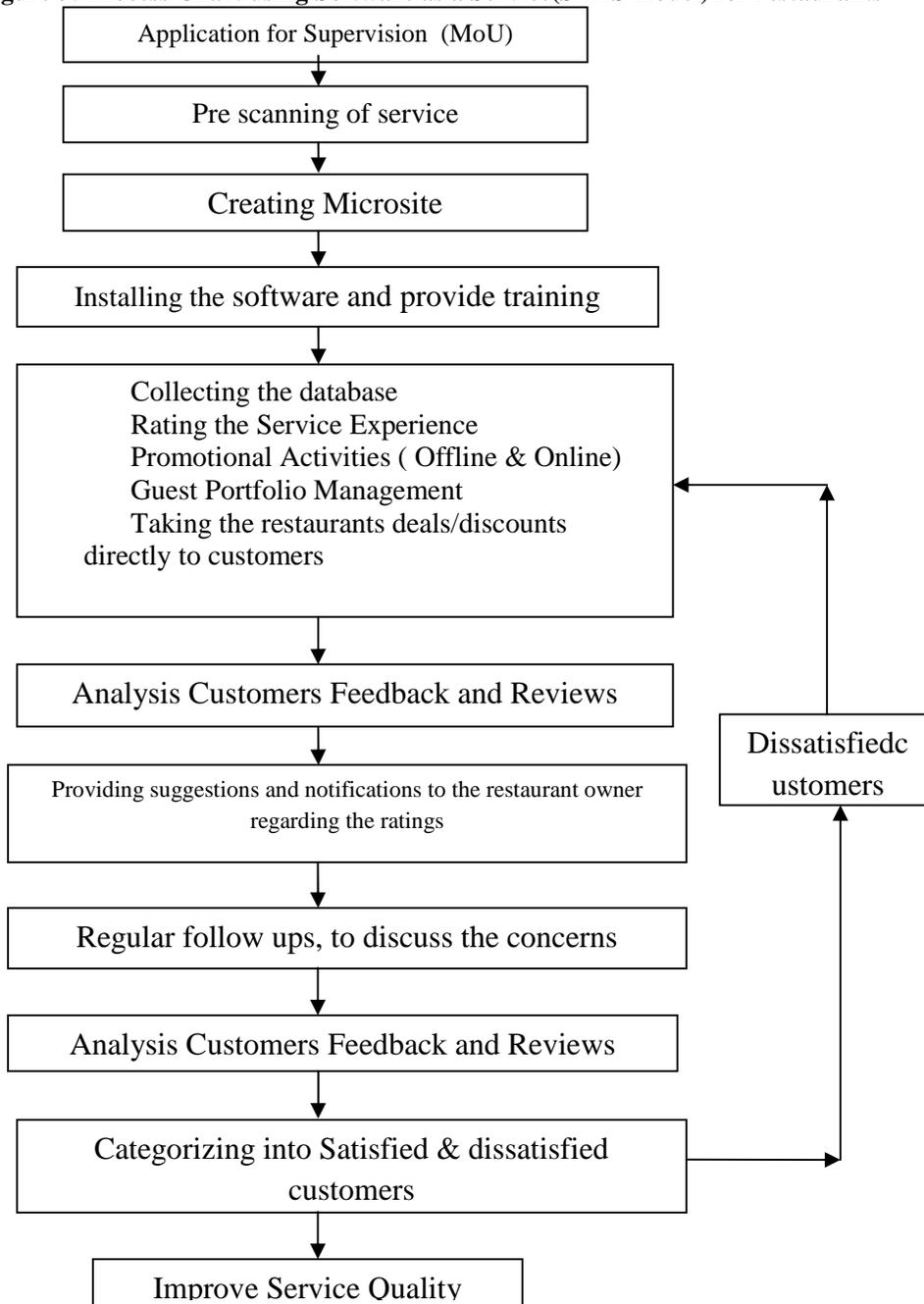
**Staff recruitment-** Staff needs to be recruited for planning and following up. A dedicated team must be created so that a higher organizational effectiveness can be achieved, related technical problems can be effectively mitigated, and delays in implementing strategies can be brought down.

### **8.0 SUGGESTIONS AND RECOMMENDATIONS**

Process chart is a very effective tool in operations for quality management that depicts the steps required for providing a superior experience. Process flowcharts help identify the service processes so that the employees can take appropriate actions. In the process flow charts shown in figure 3, process activities are represented as rectangles, the movements from one step to another are shown as arrows. Micro sites, as indicated in Process charts, are websites that are used to provide information about the new product/service to the restaurants. Customers interact with the flowchart in many ways. However, interaction does not imply that the customer must be physically present at the service site. Regardless of the type of service, customers expect prompt action (efficiency), appropriate action (effectiveness), and courteous service at every interaction with the organization.



**Figure 3: Process Chart using Software as a Service(SAAS model) for restaurants**



Source: Authors

**SOME OTHER SUGGESTIONS BASED ON THE RESEARCH ARE**

**Facilities:** Technological advancements that make use of push marketing strategies must be incorporated. The development of applications that are interoperable will also enhance the service facilities.

**Materials:** Technical problems in creating the micro sites must be solved. Companies need to advertise themselves both offline and online. Certain promotional activities need to be conducted. However, before implementing new strategies, feasibility studies must be undertaken.

**Management:** Appropriate training for maximizing operational effectiveness has to be given to restaurant employees. A thorough study has to be done to rate the service quality of restaurants before a corporate connect can be provided. An



effective competitor mapping will enhance the service quality delivery. Basic templates may be created so that employees can easily approach different establishments with a structured business proposal. New ideas such as the incorporation of master chefs into the brand of the restaurants can be implemented.

**People:** In order to enhance customer management, a dedicated team must be created for following up. This can be done through increased sales force or working on commission basis.

### 9.0 LIMITATION OF THE STUDY

Time was the biggest constraint of the study; since on specific days like Monday, Friday, Saturday and Sunday; there were very few opportunities to meet Finance & Branch Managers. Especially on Mondays, since most of the managers were not available after a full-fledged and highly demanding weekend of service. Additionally, most of the restaurant owners/managers were a bit reluctant to share the information; and the sample size is limited to the South Eastern part of Bangalore.

### 10.0 CONCLUSION

The growing influence and importance of social media and travel and hospitality rating sites accentuates the impact of every single guest experience. Going above and beyond in order to deliver a little extra resonates more today than ever before. Based on the study, it is evident that for any establishment in the service sector, customer satisfaction is the most important parameter. This is a quality driven market where customers who possess disposable income are ready to invest in new feasible ideas. Most of the restaurants are thriving greatly and are investing huge amounts in marketing and promotional campaigns. The study has proposed a process model, which can help these establishments to maintain and increase their quality ratings through technology driven management systems. The various products and services suggested can add value to the restaurants in different areas.

### SCOPE FOR FURTHER STUDY

- The study is only limited to the South-Eastern part of Bangalore. It can be further extended to other parts as well.
- The study basically focused on service quality in restaurants. This methodology can be applied to other hospitality industries.
- In the study, only three quality control tools were utilized. For more effectiveness, studies can make use of other quality management tools.

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