IMPACT OF SERVICE QUALITY ON CUSTOMER SATISFACTION: A STUDY BASED ON SRI LANKA

M.C.K.H.Mallika
Department of Commerce & Financial Management, University of Kelaniya, Sri Lanka.

Abstract
This study conducted with the purpose of examines the impact of service quality on customer satisfaction of restaurant in Matara Divisional secretariat by using SERVQUAL model. This study conducted as a cross sectional survey and utilized the sample frame of the restaurant in Matara Divisional Secretariat. 15 listed restaurants were selected and the data were collected by mean of a structured Questionnaire. Researcher used descriptive analysis and other illustrations for analysis and discusses the data. This ongoing study shows that there is significant positive relationship between Service Quality and Customer Satisfaction. Among the key limitations of the study includes the sample was limited to the customers of 15 restaurants in Matara Divisional Secretariat. Service Quality was impact to Customer Satisfaction; It has important practical implications, identify the knowledge of the internal service quality dimensions, the restaurant can then understand how well do their work and how employee performed on each dimension and managerial and non -managerial employees can identify the weakness and improve that weakness. Assessment of moderating impact on the relationship of customer satisfaction is suggested by many authors. Therefore, the current study intended to fill that gap utilizing the construct of measuring service quality to customer satisfaction and show the positive relationship between service quality and customer satisfaction.

Keywords: Service Quality, Customer Satisfaction, SERVQUAL Model.

Introduction
In the present society, business world is becoming more competitive. All the businesses expect to be successful, through retaining customers. Therefore, Businesses try to give highly satisfaction to their customers by giving quality product and services. There is more competition in service industry as a restaurant industry in the world including Sri Lanka. In this society, Most of the peoples are very busy with their working life. Because of this reasons, peoples like to go to restaurants for fulfil their meals and any other wants. This is very important reason for increasing the demand of the restaurant service in the world. Most of the countries in the world have a competitive restaurant industry. In this Asia also have more competitive restaurants. Restaurant always should try to give high quality services to their customers. Service quality is difficult work to analysis and quantify because it is not a tangible. Service quality is a consumer's personal desire and evaluations.

Parasuraman, Zeithaml, & Berry, (1988) introduced five dimensional SERVQUAL model of service model of service quality. Those dimensions are Reliability, Assurance, Empathy, Responsiveness and Tangibility. In addition to these five dimensions, Qin, Prybutok, & Zhao, (2010) have introduced a new dimension as a recovery. They have defined service quality dimensions as Reliability, Assurance, Responsiveness, Empathy, Recovery and Tangibles. All these dimensions help to increase the service quality. According to Oliver, (1980) defined that the customer satisfaction is the internal feelings of every individual which may be satisfaction or dissatisfaction resulting from the assessment of services provided to an individual in context to customer's anticipation by an organization. Customers have some expectation because the organizations always try to meet these expectations.

Business always consider about their customers to success in the world. Because customers are key asset of the business. If the customer retain with the business, definitely should fulfill their expectation. In the global economy, business are doing many things for retain their target customers. Every movement, business tries to satisfy their customers. Many factors effect to the customer satisfaction. There are ,Service quality, Price , Technology, Recovery, Physical design and more .Among the these factors, In the service marketing section "Service Quality" is very important for the customer satisfaction. Considering above factors the researcher select to identify the relationship between service quality and customer satisfaction in restaurants. The restaurateurs are facing to so many problems when they provide services. Restaurants should have trust with their services. They always should give the quality service to their customers. They should have skilled and friendly employees for giving quality services to their customers. Some restaurants have skilled employees but they have not interpersonal skills .Some restaurants have friendly employees but they are not skillful. The owners and employees of the restaurants should understand about the service quality. They should consider about the activities which lead to high service quality. In present, the restaurant have more demand for their services .Most of the peoples are willing get the services from the restaurants. So the restaurants should consider about service quality than before. If the restaurants give quality services, they can satisfy the customers well and they can face the competition without any fear. Hence the research question of the present study is, how does the service quality impact on customer satisfaction of restaurants in Matara Divisional Secretariat?

Literature Review
This section comprises of the related literature of the study which was written by other scholars. In this section, the researcher adds the literature for service quality, customer satisfaction and service quality and customer satisfaction in restaurants industry in Asia. By considering this literature review, the researcher identifies the research gaps and does the study of fulfill that gap. Now days the restaurant industry is becoming more profitable one. Most of the businessmen are always trying to enter the restaurant industry. The reason of the globalization, the word becomes more competitive. In competitive society, most of the persons are busy with their working life and family responsibility. So, most of time they expect to get their meals from outside mean restaurants. When the Customers get the meals from the restaurants, they always wish for good quality from the restaurant. If the restaurant can't give a quality service, the customer will not satisfy with the service. Restaurants should try to give a quality service to their customers. Service is unlike products .Because of their different and unique characteristics including intangibility, inseparability, heterogeneity and perishability (Zeithaml, 1985). According to kotler, (1997) services depend on who provide them and when and where they are provided. George & Jones, (1991) explained that service quality is not an easy task to quantify and being evaluated, because it is not a product to quantify but it is customer's evaluation and subjective perception about something.

Service quality and customer satisfaction are interrelated concepts. If the organization considers more about the service quality, they can get more customer satisfaction. In the restaurant industry also when giving services, restaurateurs should consider about service quality dimension which are effect to their service quality. Then they should make some strategies to attract and retain customer by giving quality service. Cronin & Taylor, (1992) explained that the concept of service quality should be the customer's attitudes toward the service, as the concept of satisfaction is defined as a gap between expectation and performance. Parasuraman, Zeithaml, & Berry, A conceptual model of service quality and its implications for future research, (1985) describe that the service quality has been seen as critical for the success of organizations because of its close link with customer satisfaction especially in the service industry. Zeithaml & Bitner, Services Marketing: Integrating customer focus across the firm, (2003) explained that service quality is one of the major determinants of customer satisfaction.

Restaurant employees also should give personal services to their customers. Then, they can satisfy their customers and employees of the restaurant should have good interaction between them. Ryu, Lee, & Kim, (2012) describe that building on customer- employee interactions should result in high level of restaurant service quality, which should result in customer satisfaction.

Restaurants should give attention to their employees. They should train their employees by giving more knowledge about the restaurant service and they should motivate their employees. Then only, the restaurants can get perfect outcome from their employees.

Methodology
This research was investigated to measure relationship between service quality and customer satisfaction of the restaurant and questionnaire was used to gather data from the sample.

Conceptual Framework
The researcher investigated on conceptual framework of service quality on customer satisfaction of restaurants. According to this research, the researcher selected Service quality as an independent variable including five dimensions that are Tangibility, Responsiveness, Reliability, Assurance and Empathy and Researcher selected Customer Satisfaction as a dependent variable. The Conceptual framework shows the relationship between those five dimensions and customer satisfaction. By using the conceptual model the researcher discuss the relationship between independent and dependent variables.

Figure 1: Conceptual Framework

Independent Variable   Dependent Variable

| **Service quality** |
| Tangibility |
| Reliability |
| Responsiveness |

Customer Satisfaction
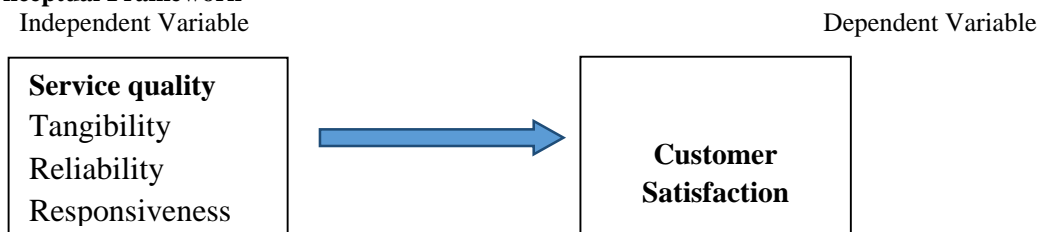
Source: Parasuraman, Zeithaml, & Berry, SERVQUAL: a multiple-item scale for measuring consumer perceptions of service quality, (1988) Based on the conceptual model, the researcher developed the following hypotheses for research purpose.

H1: There is a significant positive relationship between service quality and customer satisfaction.
H1 a: There is a significant positive relationship between tangibility and customer satisfaction.
H1b: There is a significant positive relation between reliability and customer satisfaction.
H1c: There is a significant positive relationship between responsiveness and customer satisfaction. H1d: There is a significant positive relationship between assurance and customer satisfaction.
H1e: There is a significant positive relationship between empathy and customer satisfaction

Data Collection and Procedure of Testing
This study obtained statistical, quantitative data from a sample of 15 restaurants in Matara Divisional Secretariat, Sri Lanka. The 15 restaurants are Green Land Restaurant, Sirithunga Restaurant, Gagula Restaurant, Salgadhu Restaurant, Sri Luxmi Bavan Restaurant, Dultharu Restaurant, Roland Restaurant, Shaun Garden Restaurant, Roland Restaurant, Ariyasinhe Restaurant, Sudushi Restaurant, Deepaloka Restaurant, Amba Sevana Restaurant, Mayura Restaurant, Deepaloka Restaurant. The researcher select customers of each restaurant in Matara Divisional Secretariat as the population and selected 60 customers from the selected restaurants.Researcher used the Convenient Random Sampling method to select 60 customers for the study.

Data Analysis
Sinhala translated questionnaire was distributed among the customers to increase the reliability of the study. 20customers from restaurants of Matara Divisional Secretariat, randomly selected to conduct the pilot study. After collecting data, these data analysis by using SPSS statistical tool. The following table shows the reliability of the questionnaire of the present study.

Table 1: Reliability of Pilot Test

Variable	No. Of. Items	Cronbach's Alpha Value
Tangibility	4	0.843
Reliability	5	0.789
Responsiveness	4	0.777
Assurance	4	0.772
Empathy	4	0.755
Customer Satisfaction	9	0.899

According to above table, the Cronbach;s Alpha value are more than 0.7. So, the questionnaire of the present study is more reliable.

Demographic Profile of Respondents
The researcher collected data for this study by issuing to the 60 customers of 15 restaurants in Matara Divisional Secretariat. The sample of 60 customers was selected randomly. The researcher put the six questions in the questionnaire to get the demographic details of the respondents. The following table represents the demographic profile of the respondents.

Table 2: Demographic Characteristics and Frequency Distributions of Sample

Demographic	Frequency N=60
Gender	
Male	29
Female	31
Age	
Under 18	2
18-30	30
31-45	21
Above 45	7
Income Level	

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Valid < 25000	22
25001-30000	8
30001-40000	15
40001-50000	10
>50000	5
Civil Status	
Single	29
Married	31
Occupation	
Employee(public)	17
Employee(private)	22
Own Business	9
Retired	2
Unemployed	9
House Wife	1
Education Level	
Primary	8
Secondary	26
Bachelor or Master	20
Other	6

Descriptive Analysis

Table3: Descriptive Statistic for Demographic Profile of the Respondents

	N	Minimum	Maximum	Mean	Std.Deviation
Age	60	1	4	2.55	0.746
Gender	60	1	2	1.47	0.503
Income Level	60	1	5	2.47	1.359
Civil Status	60	1	2	1.52	0.504
Occupation	60	1	6	2.45	1.419
Education Level	60	1	4	2.40	0.848

Source: Research Data

According to the table 3, depicts the value of range of minimum, maximum, mean and standard deviation of demographic variable. Age corresponds with the highest mean value than other demographic variables in the data set.

Descriptive Analysis for Independent Variable

Table 4: Descriptive statistic for Independent Variable

	Mean	Std. Deviation	N
Customer Satisfaction	3.55	0.641	60
Tangibility	3.96	0.560	60
Reliability	3.34	0.700	60
Responsiveness	3.61	0.748	60
Assurance	3.53	0.652	60
Empathy	3.43	0.710	60

Source: Research Data

According to mean values and standard deviation value which show in table 4, the tangibility dimension (M=3.96, Std. Deviation = 0.560) have given the highest contribution to the customer satisfaction in Restaurant industry in Matara Divisional Secretariat. That means, under the tangibility, these restaurants give more consideration to the modern looking equipment,

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visually appealing physical facilities, neat- appearing employees and visually appealing materials which are associate with service. Responsiveness (M=3.61, Std. Deviation = 0.748) has second largest contribution to the customer satisfaction. under the responsiveness dimension, Employee give higher consideration to tell customers when services will be performed, Employees consider more for giving prompt service to customers, Employees are giving highly consideration to help customers and respondent to customer's requests. Assurance dimension (M= 3.53, Std. Deviation = 0.652) has third largest contribution to the customer satisfaction. Under the assurance, these restaurant employee confidence in customers, restaurants confirm safe in the transactions with customers, Employee are consistently courteous and they have the knowledge to answer customer's questions. Then the empathy dimension (M=3.43, Std. Deviation = 0.710) has given low contribution to the customer satisfaction. So, the researcher can identify that under the Mean Std. Deviation N Customer Satisfaction 3.55 0.641 60 Tangibility 3.96 0.560 60 Reliability 3.34 0.700 60 Responsiveness 3.61 0.748 60 Assurance 3.53 0.652 60 Empathy 3.43 0.710 60 43 empathy dimension, the restaurants give less consideration to the facts such as individualized attention of the restaurant towards the customers, personal attention of the employees to the customers, understanding the specific needs of its customers. The restaurants have given the least important to the reliability dimension (M= 3.34, Std. Deviation = 0.7).Under the reliability, these restaurant do not promised service at the promised time, less consideration about the solving customer's problems, not perform the service right at the first time, do not provide the service at the promised time and lower consideration about the maintain error- free records (incorrect ordering, billing and other records.) The researcher can get above findings from the descriptive statistic of the study's variables.

Normality Test

Table 5: Testing Normality

	N	Min	Max	Mean	Sd. Deviation	Skewness		Kurtosis	
Customer Satisfaction	60	2.22	4.67	3.5519	0.6414	-0.139	0.309	-0.908	0.608
Responsiveness	60	2.00	5.00	3.6125	0.7485	-0.096	0.309	-0.781	0.608
Assurance	60	1.50	4.75	3.5333	0.6517	-0.632	0.309	0.505	0.608
Empathy	60	2.00	5.00	3.4333	0.7099	0.064	0.309	-0.501	0.608
Reliability	60	1.60	4.80	3.3433	0.6997	-0.173	0.309	-0.313	0.608
Tangibility	60	2.25	5.00	3.9625	0.5596	-0.0612	0.309	0.929	0.608

Source: Research Data

According to the table 5, normality test result dependent variable (Customer Satisfaction) and independent variable (service quality dimensions) take normal distribution. In normal Q-Q plot, if the points of the scatter plot align with the diagonal then the data set confirm with the distribution. Detrended Q-Q plot confirm normality when plots cluster around (up and below) the horizontal line with no pattern. In this research, independent variable (service quality dimensions) and dependent variable (customer satisfaction) are normally distributed.

Correlation Analysis

Table 5: Correlation Analysis

Independent Variable	Customer Satisfaction Pearson's correlation (r)	Sig. Value
Tangibility	0.537**	0.000
Reliability	0.797**	0.000
Responsiveness	0.802**	0.000
Assurance	0.852**	0.000
Empathy	0.767**	0.000

** Correlation is significant at the 0.01 level (2-tailed)
*Correlation is significant at the 0.05 level (2-tailed)
Source: Research Data

The table 05 shows the significant values of service quality dimensions. If these are less than 0.01, the researcher can identify a relationship between the service quality dimension and customer satisfaction. According to the details in above table, the significant values are 0.000 in five dimension of service quality. So, the researcher can identify that there is a relationship

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between the service quality and customer satisfaction in Restaurant industry in Matara Divisional Secretariat. If the Pearson correlation value is plus value, there is a positive relationship between the variables. By seeing the correlation values, researcher can identify that there is a positive correlation value between five dimensions of service quality and customer satisfaction.

Table 6: Correlation Results of Service Quality and Customer Satisfaction

	Pearson 's Correlation Customer Satisfaction	Sig.Value
Service Quality	0.930**	0.000

Source: Research Data

According to above table, by seeing Pearson correlation value between overall service quality and customer satisfaction is 0.930**. Which is positive? It implies that change in service quality is positively contributing toward the change in customer satisfaction significantly.

Testing Model Fitness
Test the difference between the mean values of the dependent variables associate with the effect of the controlled independent variable mean as Testing Model Fitness.

R- Squared Analysis

Table 7: Model Summary[b]

	R	R Square	Adjusted R Square
1	0.937	0.867	0.867

Source: Research Data

The R square value is 0.867. It mean that, variable explain 86.7 % of the total variability of the dependent variable. The adjusted R-squared value mean adjusted for the number of predictors in the model. The adjusted R –squared can be negative value, often it does not become negative. Adjusted R-squared value always lowers than the R- squared value. The adjusted R-squared value of the study explains extent to which the model is fit for the population. According to the model, adjusted R-squared value is 0.867.it is implies 86.7% model fit for the population.

Analysis Of variable (ANOVA) table of the Regression Analysis

Table 8: ANOVA[a] **Table**

Model	F value	Sig. value
1	77.675	0.000b

Source: Research Data

The fit of the regression model can be measured by using the ANOVA table. If the sig. value (P value) is less than 0.05 the model is significant. The value of ANOVA is 0.000b. This value less than the 0.05. Therefore researcher confirm the model is significant.

Multiple Regression Analysis

Table 9: Coefficien[t] **for Overall Model**

Dependent Variable	Customer Satisfaction		
Independent Variable	B	T	Significance
Service Quality	0.053	19.228	0.000

Source: Research Data

According to table 9, the significant value of the service quality is 0.000 (p<0.01). The beta value ( ) is 0.053. If the service quality increases by 1 the customer satisfaction increases by 0.053. So, the hypothesis H1 is accepted.

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Table 10: Coefficient for service quality Dimension

Dependent Variable	Customer Satisfaction		
Independent Variable	B	T	Significance
Reliability	0.150	2.051	0.045
Tangibility	0.131	1.998	0.051
Empathy	0.205	3.236	0.002
Responsiveness	0.250	4.185	0.000
Assurance	0.322	3.900	0.000

Source: Research Data

According to above table, when considering P value of the independent variable's dimension is significance. Tangibility dimension is indicate 0.051($p>0.05$) significant value and beta value is 0.131. That means tangibility increase by 1, customer satisfaction will increase 0.131.therefore hypothesis H1a is rejected (sig. value>0.05). The significant value of the reliability is 0.045 ($p<0.05$). The beta value ( ) is 0.150. If the reliability increase by 1the customer satisfaction increase by 0.150. So the hypothesis H1b is accepted. Significant value of the responsiveness is 0.000 ($p<0.05$). Beta value ( ) is 0.250 that means, responsiveness increase by 1 the customer satisfaction increase by 0.250.So the hypothesis H1c is accepted. Assurance indicates 0.000 significant value ($p<0.05$). Beta value 0.000. If the assurance increases by 1 the customer satisfaction increases by the 0.322. So the hypothesis H1d is accepted. The significant value of the empathy dimension is 0.02($p<0.01$). Beta value of the empathy dimension 0.205. That means empathy is increase by 1 the customer satisfaction increase by the 0.205. Therefore, hypothesis is H1e accepted.

Table 11: Summary of the Hypothesis Testing

Hypothesis	P value	Decision
H1**:** There is a significant positive relationship between service quality and customer satisfaction.	0.000	Accepted
H1: There is a significant positive relationship between tangibility and customer satisfaction.	0.051	Rejected
H1b: There is a significant positive relation between reliability and customer satisfaction.	0.045	Accepted
H1c: There is a significant positive relationship between responsiveness and customer satisfaction.	0.000	Accepted
H1d: There is a significant positive relationship between assurance and customer satisfaction	0.000	Accepted
H1e: There is a significant positive relationship between empathy and customer satisfaction.	Accept0.002	Accepted

Regression Diagnostic
Testing Autocorrelation

Table 12: Model Summary[b] (cont)

Source	DW Statistic
Durbin- Watson statistic	1.623

Source: Research Data

Durbin- Watson test was used to check the independence of residuals. It means autocorrelation. DW statistic value should lies between zero and four. If the residual are uncorrelated, Durbin- Watson statistic is approximately two. A value is close to zero indicates strong positive correlation, while a value of 4 indicates that strong negative correlation. According to the DW statistic of as on table19, it is closed to the 2. It implies that an error of the model takes some kind of pattern.

Test for Multicollienearity
Multicollienearity is the one of the assumption coming from the regression analysis. The problem of multicollienearity occurs when two explanatory variables are highly correlated.

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Table 13: Coefficient (cont)

Model	VIF
Responsiveness	2.146
Assurance	3.114
Empathy	2.175
Reliability	2.805
Tangibility	1.443

Source: Research Data

According to the rule of thumb, VIF value should less than ten. That means, If VIF factor less than 10 researcher can assume that no Multicollienearity problem in particular variables. If VIF factor is more than ten, that mean over 90% of the variance in given predictor variable can be can be collectively accounted for by the other predictor variable. According to above table, VIF values of every variable less than 10.ther for researcher can assume, there is no Multicollienearity problem in this model.

Conclusions and Recommendations
General Conclusion and Implication of the Study
The researcher considered the service quality and customer satisfaction of Restaurant industry in Matara Divisional Secretariat to do the present study. By doing this study, researcher expected to identify the relationship between the service quality and customer satisfaction. According to the descriptive statistics, the restaurants have given more consideration to the tangibility, responsiveness and assurance dimension of service quality. So, the restaurant's customer gets more satisfaction from the restaurants atmosphere, confidence in the service and responds to customers. The restaurants have given the less consideration to the reliability and empathy. Because of that reason, from the restaurants, the customers do not get more individualized attention when they are getting the services from them. By seeing the relationship result of the service quality and customer satisfaction, the researcher can concluded that all five dimensions in SERVQUAL model (Tangibility, Reliability, Responsiveness, Assurance and Empathy) have positive relationship with customer satisfaction. That means, if the restaurants give high quality services by considering about the all five dimensions, it lead to more customer satisfaction. If the restaurants give low quality services, it leads to low customer satisfaction. So, the restaurants always should try to give quality services by considering about the SERVQUAL dimensions for giving more customer satisfaction. If the customers cannot get fulfilment of their expectations from the restaurants services, they will not come to the restaurants for getting service again and again. Finally, from this study, researcher can come to the conclusion as the SERVQUAL dimensions can lead to the more service quality and this service quality have positive relationship with customer satisfaction of restaurant industry.

Suggestions for the Future Research
The future researcher can identify these SERVQUAL dimensions in a deep way and can do studies to identify the importance of those dimensions for service quality in restaurant industry by considering about large sample. For that, they can get significant sample from all provinces in Sri Lanka. In this study, researcher focused only for service quality, but there are several factors affect to customer satisfaction. Future researcher can consider about the other factors. According to current study, researcher not considered about the cultural factors or demographic factors. Future researchers can consider about cultural factors or demographic factors as moderate variables other than the service quality dimensions which are impact on customer satisfaction in restaurant industry. The quality of the study, also can be a limitation.

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