

**The influence of selected elements  
of service quality provided by Chinese  
fine-dining restaurants  
in Port Elizabeth**

**FENG ZHAO**

Submitted in fulfillment of the requirements for the degree of  
Magister Technologiae in Business Administration at Nelson  
Mandela Metropolitan University

**PROMOTER: PROF. N. D. KEMP**

**22 November 2009**

## DECLARATION

I, **Feng Zhao**, herewith declare the following:

- This work has not been previously accepted in substance for a degree and is not being currently submitted in candidature for any degree.
- This dissertation is being submitted in fulfilment of the requirements for the degree of Master in Business Administration.
- This dissertation is the result of my own independent work/investigation, except where otherwise stated. All sources used or referred to have been appropriately documented and recognized.

---

Feng Zhao

22 November 2009

## ACKNOWLEDGEMENTS

The successful completion of this research would not have been possible without the support, guidance and encouragement of certain individuals. In particular, the assistance of the following is gratefully acknowledged:

- Professor Norman Kemp, for his guidance, patience, support and motivation throughout the research period.
- Ms Daphne Ffolliott and Mrs Natalie Stear, for their professional copy- editing of the dissertation.
- My parents, for their support and encouragement all the way. Their loyal belief in me was shown throughout the duration of my studies.

## **ABSTRACT**

A good understanding of customer expectations is very important to service providers. Since the Chinese first came to South Africa and started their restaurant businesses. Chinese fine-dining restaurants have become more and more popular. Identifying the customer expectations and Chinese fine-dining restaurant owner perceptions will help Chinese service providers to understand better the restaurant businesses.

To ensure the development of the Chinese restaurant business in South Africa, it is very important to understand what South African customers want, whether there are differences between the Chinese restaurant owner perceptions of the service quality and South African customer expectations of the service quality. This would depend on the customers' preferences, and provide a positive contribution to customer decision-making. Therefore, it is essential to understand and identify what is customer expectations are, what the management perceptions are and the differences between them.

In order to achieve the objectives of the research, the following approach was followed:

- Factors that influence the customer expectations and management perceptions are explained.
- Five factors used to measure the service quality of Chinese fine-dining restaurants are identified, namely reliability, responsiveness, assurance, empathy, tangibility.
- The responses to the questionnaire were collected and analysed to determine the extent to which factors are both important to customer expectations and management perceptions.

## **TABLE OF CONTENTS**

	Page
DECLARATION	i
ACKNOWLEDGEMENTS	ii
ABSTRACT	iii
TABLE OF CONTENTS	v
LIST OF TABLES	xi
LIST OF FIGURES	xiii

## **CHAPTER ONE**

### **PROBLEM STATEMENT AND SCOPE OF THE STUDY**

1.1 INTRODUCTION	1
1.2 PROBLEM STATEMENT AND SUB-QUESTIONS	3
1.3 RESEARCH OBJECTIVES	4
1.4 LITERATURE REVIEW AND CONCEPTUALIZATION	5
1.4.1 Introduction	5
1.4.2 Conceptualization	7
1.5 SIGNIFICANCE OF THE RESEARCH	10
1.6 DEFINITION OF CONCEPTS	11
1.6.1 Fine-dining restaurants	11

1.6.2 Service	12
1.6.3 Quality	12
1.6.4 Service quality	13
1.6.5 Expectation and perception	14
1.7 SCOPE AND DELIMITATION OF RESEARCH	14
1.8 RESEARCH METHODOLOGY	15
1.8.1 Literature study	15
1.8.2 Empirical study	15
1.9 CHAPTER OUTLINE	16

## **CHAPTER 2**

### **INTRODUCTION TO SERVICE AND SERVICE QUALITY**

2.1 INTRODUCTION	18
2.2 FUNDAMENTALS OF SERVICE MARKETING	19
2.2.1 The nature of service	19
2.2.2 Fundamental differences between goods and services	21
2.2.3 Classifying services	24
2.3 DEFINING SERVICE MARKETING	26
2.4 SERVICE MARKETING MIX	27
2.5 SERVICE QUALITY	29
2.5.1 The nature of service quality	30
2.5.2 Service quality dimensions	31
2.5.3 Seven criteria of good perceived service quality	32
2.5.4 Gaps model of service quality	34
2.5.5 Measuring service quality	36
2.5.5.1 Criticisms of SERVQUAL	37

2.5.5.2 Five dimensions of SERVQUAL model	38
2.6 SUMMARY	39

### **CHAPTER 3**

#### **ESSENTIAL OF CONSUMER EXPECTATIONS AND PERCEPTIONS**

3.1 INTRODUCTION	41
3.2 CUSTOMER EXPECTATION OF SERVICE	42
3.2.1 The types of service expectation	42
3.2.2 The zone of tolerance	46
3.2.3 Factors that influence customer expectations of service	47
3.2.3.1 Factors that influence desired service expectations	47
3.2.3.2 Factors that influence adequate service expectations	50
3.2.3.3 Sources of both desired and predicted service expectations	52
3.3 CONSUMER PERCEPTIONS OF SERVICE	54
3.3.1 Service quality	55
3.3.2 Customer satisfaction	57
3.3.3 Perceived value	58
3.3.4 Factors that influence customer perceptions	59
3.4 SUMMARY	61

### **CHAPTER 4**

#### **RESEARCH METHODOLOGY**

4.1 INTRODUCTION	63
------------------	----



4.2	RESEARCH DESIGN	63
4.3	QUALITATIVE AND QUANTITATIVE RESEARCH	67
4.4	DATA COLLECTION	70
4.4.1	In-depth interview	71
4.4.2	Self-administration survey	72
4.5	QUESTIONIRE DESIGN	73
4.5.1	Questionnaire structure	74
4.5.2	The type of question	75
4.5.2.1	Closed questions	76
4.5.2.2	Open-ended questions	81
4.5.2.3	Pre-testing	81
4.6	SAMPLE DESIGN	82
4.7	VALIDITY AND RELIABILITY	83
4.8	DATA ANALYSIS	84
4.9	SUMMARY	86

## **CHAPTER 5**

### **ANALYSIS AND INTERPRETATION OF THE RESULTS**

5.1	INTRODUCTION	88
5.2	DEMOGRAPHIC DETAILS OF RESPONDENTS	88
5.2.1	Gender of South African working adults	89
5.2.2	Age of South African working adults	90
5.2.3	Race of South African working adults	91
5.2.4	Frequency of visiting at Chinese fine-dining restaurant per year	92
5.2.5	Gender of Chinese fine-dining restaurant owners	93
5.2.6	Management period	93

5.2.7	The amount of customers entertained every month	94
5.2.8	Restaurant owner opinions	95
5.3	<b>MAIN FACTORS MEASURING CUSTOMER EXPECTATION</b>	96
5.3.1	Tangibles	96
5.3.2	Reliability	98
5.3.3	Responsiveness	99
5.3.4	Assurance	101
5.3.5	Empathy	103
5.4	<b>MAIN FACTORS MEASURING MANAGEMENT PERCEPTIONS</b>	104
5.4.1	Tangibles	104
5.4.2	Reliability	106
5.4.3	Responsiveness	107
5.4.4	Assurance	109
5.4.5	Empathy	111
5.5	<b>COMPARE THE DIFFERENCE BETWEEN THE CUTOMER EXPECTATIONS AND MANAGEMENT PERCEPTIONS</b>	112
5.5.1	The difference in tangibles	113
5.5.2	The difference in reliability	114
5.5.3	The difference in responsiveness	115
5.5.4	The difference in assurance	115
5.5.5	The difference in empathy	116
5.6	<b>SUMMARY</b>	117

## **CHAPTER 6**

### **SYNOPSIS, CONCLUSION AND RECOMMENDATIONS**

6.1	<b>INTRODUCTION</b>	118
-----	---------------------	-----

6.2 SYNOPSIS OF THE STUDY	118
6.3 CONCLUSIONS AND RECOMMENDATIONS	120
6.3.1 Reliability	121
6.3.2 Responsiveness	122
6.3.3 Assurance	122
6.3.4 Empathy	122
6.4 FURTHER RESEARCH	123
<b>REFERENCE LIST</b>	<b>124</b>
<b>ANNEXURE A – CUSTOMER QUESTIONNAIRE</b>	<b>130</b>
<b>ANNEXURE B –CHINESE FINE-DINGING RESTAURANT OWNER QUESTIONNAIRE</b>	<b>133</b>

# CHAPTER 1

## INTRODUCTION, PROBLEM STATEMENT AND OUTLINE OF THE RESEARCH

### 1.1 INTRODUCTION

The population in the developed world is aging. This is generally felt to be a positive trend for the hospitality industry, since there will be more customers with the independence and financial means to travel and dine out (Morrison, 2002:192).

The French word *restaurant* means “restorer of energy”. The term was used as early as the mid-1700s to describe public places that offered soup and bread. Today, any public place that specializes in the sale of prepared food for

consumption on- or off-premises can be described as a restaurant (Powers & Barrows, 2006:64).

A fine-dining restaurant is one where a good selection of menu items is offered; generally at least fifteen or more different entrées cooked to order, with nearly all the food being made on the premises from scratch, using raw or fresh ingredients (Walker, 2006:256). However, Powers and Barrows (2005:70) define fine-dining restaurants as small, independent operations, some seating fewer than 100 guests, which is quite small by today's standards.

Port Elizabeth, set along Nelson Mandela Bay, is the ideal fun, shopping holiday and tourism destination and offers various entertainment opportunities for the family, students, yuppies and tourists alike. Enjoyable evening entertainment includes sundowner cruises, nightclubs, cocktail bars, late night music spots, fine arts, theatre performances, movies, restaurants and cultural performances.

The restaurants, pubs and taverns in and around Port Elizabeth offer a wide range of cuisine, reflecting the diverse cultures and peoples of the area. Port Elizabeth boasts the highest per capita ratio of restaurants per population in South Africa, and an excellent selection of restaurants from the historical city

centre to the outlying suburbs of the metro offers a wide range of cuisines to satisfy any palate.

From 1990, many Chinese came to South Africa, some of them starting in the restaurant business. In Port Elizabeth, there are about 20 Chinese fine-dining restaurants and Chinese take-away restaurants. These Chinese make their living out of the restaurant's business, with more than 10 years experience. Chinese food is welcomed by South Africans.

Most fine-dining restaurants are independently owned and operated by an entrepreneur or a partnership (Walker, 2006:258). Many Chinese restaurant owners and managers in South Africa are not formally trained in hospitality management. There is therefore a need for practical information on managing a restaurant in a professional, effective and profitable manner, especially for Chinese owners who know Chinese customer behaviour better than South African customer behaviour. In order to survive, Chinese restaurant owners need to understand what the South African customer wants and needs.

This leads to the research question, which will be addressed by this research:

**“What do South African customers expect from Chinese fine-dining restaurants and how do these expectations compare with management perceptions of customer expectations?”**

Having reviewed the related literature, the research found no published literature study that addressed this research question.

## **1.2 PROBLEM STATEMENT AND SUB-QUESTIONS**

The aim of the research is the assessment of the difference in relative importance of selected generic elements of service provided by the fine-dining Chinese restaurant as perceived by working adults and owners. Such an assessment is expected to indicate whether Chinese fine-dining restaurant owners understand what South African working adults want. To address the main problem, sub-problems are identified as follows:

- What factors influence customer expectations and management perceptions of Chinese fine-dining restaurants?
- How can the service quality of Chinese fine-dining restaurants be measured?
- Is there any gap between customer expectations and management perceptions?

## **1.3 RESEARCH OBJECTIVES**

The following research objectives are identified:

- Study the literature on the nature of services and the service quality gap model, with the aim of providing a conceptual framework of the research;
- Study the literature to determine the factors that influence customer expectations and management perceptions;
- Study the literature to determine the various techniques for measuring service quality;
- Report accurately on the findings of the above-mentioned empirical investigation.
- Make recommendations to Chinese fine-dining restaurant owners in Port Elizabeth to match or exceed the expectations of South African customers.

#### **1.4 LITERATURE REVIEW AND CONCEPTUALIZATION**

The survey of the literature will be conducted by first introducing it, and thereafter, presenting a brief overview of the determinants of measuring service quality. This leads to the proposed conceptual model of the research.

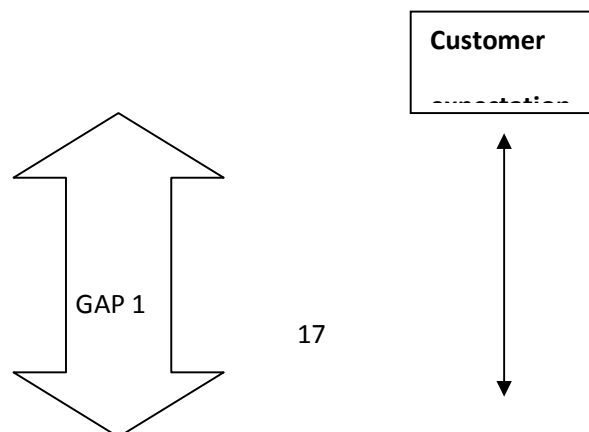
##### **1.4.1 INTRODUCTION**



Kamper, van Helsdingen and de Vries jr (1999:25) state that creating customer expectations and providing fair and honest customer information, are important features of service marketing. The service provider needs to communicate to customers what to expect from the company. Wrong, false and unjustified expectations will lead to dissatisfaction. This situation will result in brand-switching, complaining or negative word-of-mouth communication. Lastly, it leads to a low degree of brand loyalty and repeat purchases.

Zeithaml and Bitner (1996:39) state that the reasons of the gap between customer expectations and management perceptions (see figure 1.1) are that there is no direct interaction with customers; there is an unwillingness to ask about expectations, and/or a lack of preparedness in addressing them. When the people in charge do not understand the customers' service expectations they may provide a chain of bad decisions that result in poor service quality. In this study, with the purpose of providing good service quality, marketing research on customer expectations and management perceptions is essential.

**FIGURE 1.1 GAP 1**



**Management  
perceptions of  
consumer  
expectations**

Source: Adapted from Zeithaml & Bitner (1996:39)

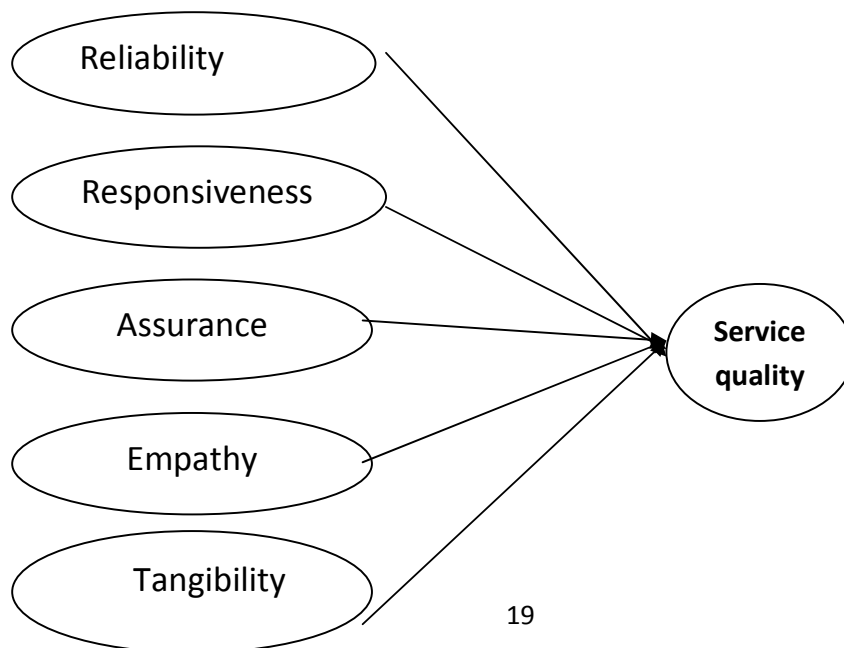
According to Hoffman and Bateson (2006:336), three main factors influence the size of the knowledge gap. These are research orientation, upward communication and levels of management.

- Research orientation: it directly influences the size of the gap, which reflects its attitude towards conducting consumer research. As the research orientation increases, the size of the gap should decrease.
- Upward communication: this is the flow of information from front-line personnel to the upper level of the organization. Front-line personnel interact with customers on a frequent basis, such as restaurant business; waitresses are more in touch with customers than top management.
- Levels of management: this refers to the complexity of the organizational hierarchy and the number of levels between top management and the customers. Restaurant business has lower levels of management so that it is not too complex for top management to know the customers' needs.

### 1.4.2 CONCEPTUALIZATION

According to Grooroo (2000:76), Zeithaml and Bitner (1996:118), Hoffman and Bateson (2006:341), SERVQUAL is the instrument for measuring service quality. This compares customer expectations of how the service should be performed with their experiences of how the service is rendered. As shown in figure 1.2, the SERVQUAL instrument is based on five service quality dimensions: tangibility, reliability, responsiveness, assurance and empathy.

**FIGURE 1.2 DIMENSIONS OF SERVICE QUALITY**



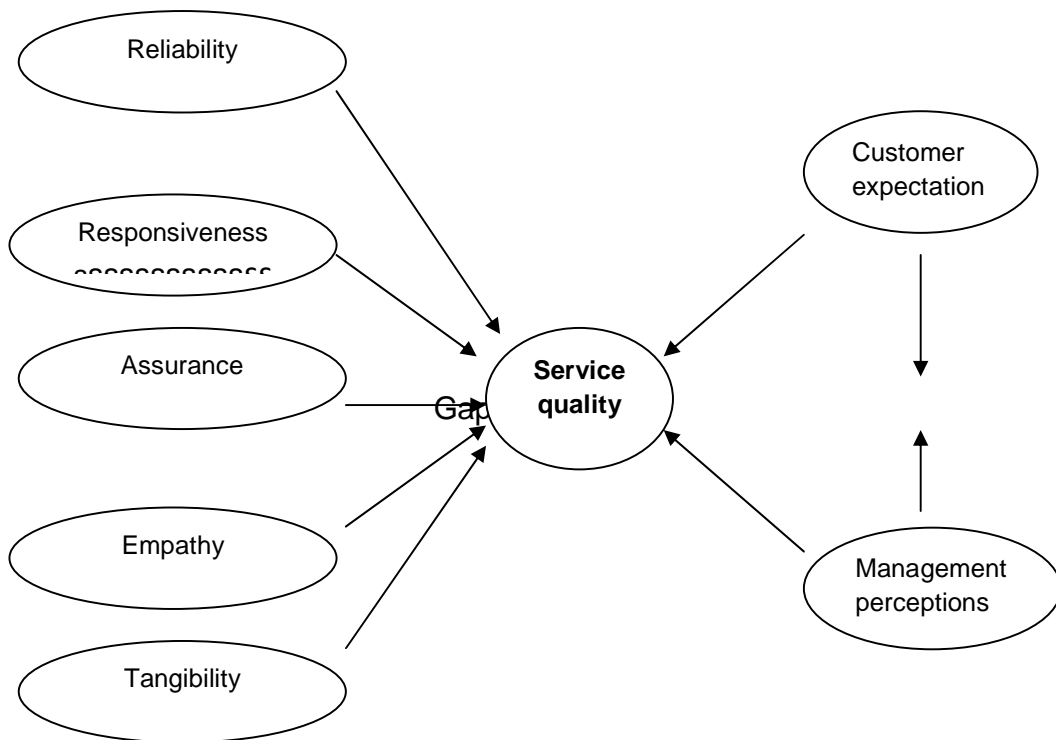
Source: Adapted from Zeithaml and Bitner (1996:119)

There are the five independent variables identified by Kasper, van Helsdingen and de Vries jr (2000:213).

- Tangibility: appearance of physical facilities, equipment, personnel and communications materials;
- Reliability: ability to perform the promised service dependably and accurately;
- Responsiveness: willingness to help customers and to provide prompt service;
- Assurance: knowledge and courtesy of employees and their ability to convey trust and confidence; and,
- Empathy: caring, individualized attention the firm provides to its customers.

Zeithaml and Bitner (1996:40) state that the first step in improving quality of service in gap 1 is for management or empowered employees to acquire accurate information about customers' expectations. When the service provider's perceptions of customer expectations meets customer expectations, there is no existing gap. Therefore, from figure 1.1 and figure 1.2, it presents the relationship as following:

**Figure 1.3 Conceptual model of the gap between customers' expectations and management perceptions.**



Source: My own work

Consumers' judgments of quality may differ, depending on the type of consumer. Fine-dining Chinese restaurants are full-service restaurants, so the prices charged are necessarily high. Knowing what working adults' wants and needs are may be difficult, but they are the customers who can afford the services provided by Chinese restaurants. The frequency of working adults visiting Chinese restaurants is higher than that of other age groups. Identifying the working adult market will help Chinese owners have a better knowledge of

customer expectations. Thereafter, the customer expectations and management perceptions are influenced by their demographic information.

## **1.5 SIGNIFICANCE OF THE RESEARCH**

The importance of this research study is determined by the following reasons:

- The Chinese fine-dining restaurant industry is a fast-growing segment of the hospitality industry in South Africa.
- Little research has been done comparing the expectations of customers of Chinese fine-dining restaurants with the perceptions of the restaurant owners.
- A better understanding of a gap, if any, between the expectations of customers and the perceptions of the restaurant owners can help the latter to target adults more effectively.
- Chinese fine-dining restaurants with a reputation for consistently high quality, can sustain an enviable competitive advantage in the service marketplace.
- Satisfying customers costs far less than providing remedies when services fail to meet the customers' required standards.
- Better quality services can attract premium prices. Consumers are generally prepared to pay a higher price for services that satisfy their expectation-criteria.

- Helping the Chinese restaurant owners will give them a better understanding of South African behavior, which will offer them a better opportunity of surviving overseas.

## **1.6 DEFINITION OF CONCEPTS**

For the purpose of this study, the following key concepts within the context of the research will be explained:

### **1.6.1 THE FINE-DINING RESTAURANT**

According to Powers et al (2006:70), fine-dining restaurant has its own independent operations, seating fewer than 100 guests, which is quite small by today's standards. These restaurants succeed because of their quality. Walker (2006:256) states that a fine-dining restaurant is a place where a good selection of menu items is offered; there are generally at least fifteen or more entrées to order; and is independently owned and operated by an entrepreneur or a partnership. Chinese fine-dining restaurants are places which provide good service quality with an excellent environment, and are owned by Chinese entrepreneurs.

### **1.6.2 SERVICE**

A service is a process consisting of a series of more or less intangible activities that normally, but not necessarily always, take place in interactions between the customer and service employees and/or physical resources or goods and/or systems of the service provider, which are provided as solutions to customer problems (Gronroos, 2000:46). For this study, service means the activities provided by the Chinese restaurants.

### **1.6.3 QUALITY**

Quality is a word that enjoys widespread usage whilst failing to capture an agreed definition. From established dictionaries *quality* is defined as:

- Property, attributes, characteristics, marks, distinction
- Grade, calibre, rank, status, importance, value, worth
- Old fashioned eminence, prominence, excellence, superiority, distinction, supremacy
- General excellence of standard or level
- A distinctive attribute or characteristic possessed by someone or something
- A level of superiority that is usually high
- Of superior grade (Mudie and Pirrie, 2006:85).

In this research study, quality means general excellence of standard or level and a level of superiority that is usually high.



#### **1.6.4 SERVICE QUALITY**

Zeithaml, Parasuraman and Berry (1990:18) define service quality as “the extent of discrepancy between customers’ expectations or desires and their perceptions.” They make the following points regarding service quality:

- Service quality is more difficult for customers to evaluate than goods quality. Therefore, the criteria customers use to evaluate service quality may be more difficult for the marketer to comprehend.
- Customers do not evaluate service quality solely on the outcome of a service; they also consider the process of service delivery.
- The only criteria that count in evaluating service quality are those defined by customers. Only customers can judge quality; all other judgments are essentially irrelevant.

Gabbott and Hogg (1997:177) support the notion that “service quality, as perceived by consumers, comes from a comparison of their expectation of service with their perceptions of the performance of the services provided.”

Perceived service quality is therefore considered as the degree and direction of discrepancy between consumers’ perceptions and their expectations. In this

study, service quality is the difference between the managers' perception and the customers' expectations of the service provided by the Chinese restaurant.

#### **1.6.5 EXPECTATION AND PERCEPTION**

Zeithaml and Bitner (2000:28) define customer expectations as “beliefs about a service that serve as standards against which service performance is judged.” In other words, expectations help customers predict what should happen rather than what might happen. (Zeithaml & Bitner, 2000:27) also describe customer perceptions as “the subjective assessments of actual service experiences.” In this study, expectation means what service the customers want to obtain from the restaurant; perception means what kind of service perceived by the restaurant managers the customers want to obtain.

#### **1.7 SCOPE AND DELIMITATION OF RESEARCH**

The aim of this research is to study the service quality in the Chinese fine-dining restaurants in Port Elizabeth. The research area is focused on Port Elizabeth, South Africa. Geographically, the research is limited to all Chinese fine-dining restaurants in Port Elizabeth.

## **1.8 RESEARCH METHODOLOGY**

The following procedure will be adopted to solve the main and sub-problems:

### **1.8.1 LITERATURE SURVEY**

A general literature study consisting of relevant books, journals, the internet information and electronic database (e.g. EBSCO Host and Emerald) will be employed. Customer expectations and management perceptions will be identified from the literature.

### **1.8.2 EMPIRICAL STUDY**

The empirical study will consist of:

#### **a) Data collection method**

Any public-place survey will be conducted among 100 working adults, using a self-administrated questionnaire drawn up by the research, to establish the levels of importance attached to selected elements of Chinese fine-dining restaurants. In-depth interviews will be conducted with five local Chinese fine-

dining restaurant owners to determine the issues they deem important to customers when judging service.

b) Measuring instrument

As mentioned above, the researcher will develop a self-administrated questionnaire for this research project. Likert-scale-type questions and open-ended questions will be used to design the questionnaire.

c) Statistical analysis of data

Firstly, a percentage will be used to measure the demographic information.

Secondly, the assessment of the reliability and validity of the research instrument will be used in this study. The data will be subjected to an exploratory factor analysis to assess the validity of the research instrument. Means of Cronbach alpha reliability coefficients will be used to assess the reliability of the research instrument. Thirdly, the mean score will be used to analyse the difference between customer expectations and management perceptions.

## **1.9 CHAPTER OUTLINE**

The study follows a rational structure, which is divided into 6 chapters.

**Chapter 1** introduces the research purpose and background and the research design of the dissertation.

**Chapter 2** covers the importance of service quality, the aspects that influence service quality, and how customer expectation affects customer decision-making.

**Chapter 3** covers the importance of management knowing customers' perceptions.

**Chapter 4** explains the research methodology in detail, including methods of data collection, sourcing and questionnaire design.

**Chapter 5** presents the results of the empirical investigation.

**Chapter 6** integrates the literature study and the results of the empirical study, conclusion and recommendations.

## LIST OF TABLES

Table 2.1 Seven criteria of perceived good service quality	33
Table 2.2 The SERVQUAL dimensions	39
Table 3.1 Alternative satisfaction definitions	56
Table 4.1 Differences between exploratory and conclusive research	64
Table 4.2 Comparison of basic research designs	67
Table 4.3 Qualitative versus quantitative research	69
Table 4.4 The proposed factors and item structure	80
Table 5.2 Age of South African working adults	90
Table 5.5 Gender of owners	93
Table 5.6 Management period	93
Table 5.7 The number of customers entertained per month	94
Table 5.8 Restaurant owner opinions	95
Table 5.9 Tangibles in customer expectation	96
Table 5.10 Reliability in customer expectation	98
Table 5.11 Responsiveness in customer expectation	99
Table 5.12 Assurance in customer expectation	101
Table 5.13 Empathy in customer expectation	103
Table 5.14 Tangibles in management perception	104
Table 5.15 Reliability in management perception	106
Table 5.16 Responsiveness in management perception	107
Table 5.17 Assurance in management perception	109

Table 5.18 Empathy in management perception	111
Table 5.19 The difference in tangibles	113
Table 5.20 The difference in reliability	114
Table 5.21 The difference in responsiveness	115
Table 5.22 The difference in assurance	115
Table 5.23 The difference in empathy	116

## **LIST OF FIGURES**

Figure 1.1 GAP 1	6
Figure 1.2 Dimensions of service quality	8
Figure 1.3 Conceptual model of the gap between customers' expectations and management perceptions	9
Figure 2.1 The classification of service	25
Figure 2.2 A conceptual model of service quality	35
Figure 3.1 Dual customer expectation levels	45
Figure 3.2 Factors that influence desired service	48
Figure 3.3 Factors that influence adequate service	50
Figure 3.4 Factors that influence desired and predicted service	54
Figure 3.5 Customer perceptions of service	56
Figure 5.1 Gender of South African working adults	89
Figure 5.2 Age of South African working adults	90
Figure 5.3 Race of South African working adults	91
Figure 5.4 Frequency of visiting Chinese fine-dining restaurants per year	92
Figure 5.5 Gender of owners	93
Figure 5.6 Management period	94
Figure 5.7 The number of customers entertained per month	95
Figure 5.9 Tangibles in customer expectation	97
Figure 5.10 Reliability in customer expectation	98



Figure 5.11 Responsiveness in customer expectation	100
Figure 5.12 Assurance in customer expectation	102
Figure 5.13 Empathy in customer expectation	103
Figure 5.14 Tangibles in management perception	105
Figure 5.15 Reliability in management perception	106
Figure 5.16 Responsiveness in management perception	108
Figure 5.17 Assurance in management perception	110
Figure 5.18 Empathy in management perception	111

## **CHAPTER 2**

### **INTRODUCTION TO SERVICE AND SERVICE QUALITY**

#### **2.1 INTRODUCTION**

Marketing research is a key vehicle for understanding customer expectations and perceptions of services. Chapter 2 and Chapter 3 mainly explain theoretical framework of marketing research, and derive a clear idea of the field of meaning of the concept on the basis of customers' expectations and perceptions. To achieve this objective requires an in-depth analysis of secondary sources dealing with the nature of service, service quality, service quality measurement and other related issues. This research objective implies that the researcher must explore and perform an analysis and scrutiny of secondary data dealing with the research problem.

In Chapter 2, the research will explain what service really is, how it is classified and what the difference is between services and goods. Then it will define what service marketing is and show how to identify service marketing mix. Further, the researcher will explain the nature of service quality, service quality dimensions, gaps of service quality and how to measure them.

## **2.2 FUNDAMENTALS OF SERVICES MARKETING**

The restaurant industry is a very important part of the service sector. More and more people dine out. It is a great challenge for the restaurant industry to be market oriented; to motivate the industry employees to serve the customer well; to deliver excellent service quality, satisfy the customers and even keep them for life. This is first time that the definitions of service and service marketing will be identified.

### **2.2.1 The nature of service**

Service means the activities provided by the service industry. It is not just an action, but an intangible process. Kasper, van Helsdingen and de Vries jr (2001:13) define service as originally intangible and relatively quickly perishable activities the buying of which takes place in an interaction process aimed at creating customer satisfaction but during this interactive consumption this does not always lead to material possession. Gronroos (2000:47) defines service as intangible and heterogeneous; its production, distribution and consumption simultaneous; it cannot be kept in stock; and lacks transfer of ownership. Palmer (2005:2) argues that the service production of an essentially intangible benefit,

either in its own right or as a significant element of a tangible product, which through some form of exchange, satisfies an identified need.

Lovelock and Wright (2003:6) hold that:

- “A service is an act or performance offered by one party to another. Although the process may be tied to a physical product, the performance is essentially intangible and does not normally result in ownership of any of the factors of production.
- Services are economic activities that create value and provide benefits for customers at specific times and places, as a result of bringing about a desired change in, or on behalf of, a recipient of the service.”

There are few pure goods or pure service; most offerings contain some portion of service some portion of good (Blythe and Zimmerman, 2005:156). Customer service is another element of product strategy. Restaurant industries sell their food and also offer support services in order to satisfy customers. Soriano describes the importance of the restaurant service as client satisfaction, resulting in the acquisition of an optimum quality level. In his study, the quality of food was rated as the most important attribute, followed by quality of service, cost/value of the meal, and place/ambience of the restaurant.

The broader definition of service, which is in line with this research, will be identified by the activities provided by the Chinese restaurants in Port Elizabeth. With the aim of this research, the researcher will demonstrate what customer-perceived and management-perceived elements are important in Chinese fine-dining restaurants.

### **2.2.2 Fundamental differences between goods and services**

According to Hoffman and Bateson (1997:24), there is general agreement that inherent differences between goods and services exist. The majority of these differences is primarily attributed to four unique characteristics: intangibility, inseparability, heterogeneity, and perishability.

- **Intangibility**

According to Hoffman and Bateson (2006:28), intangibility is a distinguishing characteristic of services that makes them unable to be touched or sensed in the same manner as physical goods. Zeithaml and Bitner (1996:19) state that intangibility is the most basic and universally cited difference between services and goods. Because services are performances or actions rather than objects, they cannot be seen, felt, tasted, smelled or touched in the same manner as we can sense tangible goods. For example, compare the differences between purchasing a jeans jacket and conducting a health inspection in hospital. The

jeans jacket is a tangible item, so the jeans jacket can be objectively evaluated before the actual purchase. Customers can pick up the jacket, feel the quality of material from which it is constructed, view the specific style and colour, and actually try it on. After the purchase, customers can take the product home, and have ownership and physical possession of a tangible object. By comparison, a health inspection in a hospital is an action (such as surgery, diagnosis, examination and treatment) performed by providers and directed toward patients, although the patient may be able to see and touch certain tangible components of the service (e.g., equipment, hospital room) (Zeithaml & Bitner, 1996:19).

- Inseparability

According to Hoffman and Bateson (2006:28), inseparability is a distinguishing characteristic of services that reflects the interconnection among the service provider, the customer involved in receiving the service, and other customers sharing the service experience. Gronroos (2000:48) states that a service is not a thing but processes consisting of a series of activities - which are produced and consumed simultaneously, that is, the “inseparability” characteristic. Zeithaml and Bitner (1996:20) state that the customer is present while the service is being produced and thus views, and may even take part in, the production process, which means during the service production process frequently customers will

interact with each other. For example, strangers seated next to each other in an aeroplane may well affect the nature of the service experience for each other.

- Heterogeneity

According to Hoffman and Bateson (2006:28), heterogeneity is a distinguishing characteristic of services that reflects the variation in consistency from one service transaction to the next. Because the services are performances, frequently produced by humans, no two services will be precisely alike (Zeithaml & Bitner, 1996:20). For example, some KFC franchises have smiling and helpful employees, whereas other KFC franchises employ individuals who act like robots. This phenomenon is based on the mood swings of individuals.

- Perishability

According to Hoffman and Bateson (2006:28), perishability is a distinguishing characteristic of services in that it cannot be saved, its unused capacity cannot be reserved, and it cannot be listed in inventories. For example, a bad haircut could not be returned or resold to another customer.

Actually, it is difficult to find pure goods or pure services. Whether the business is classified toward the pure good (tangible) or the pure service side (intangible) of the continuum depends entirely on how it is perceived by the customer (Blythe and Zimmerman, 2005:156). Five different categories of combinations of services and tangible goods have been identified (Blythe and Zimmerman, 2005:156):

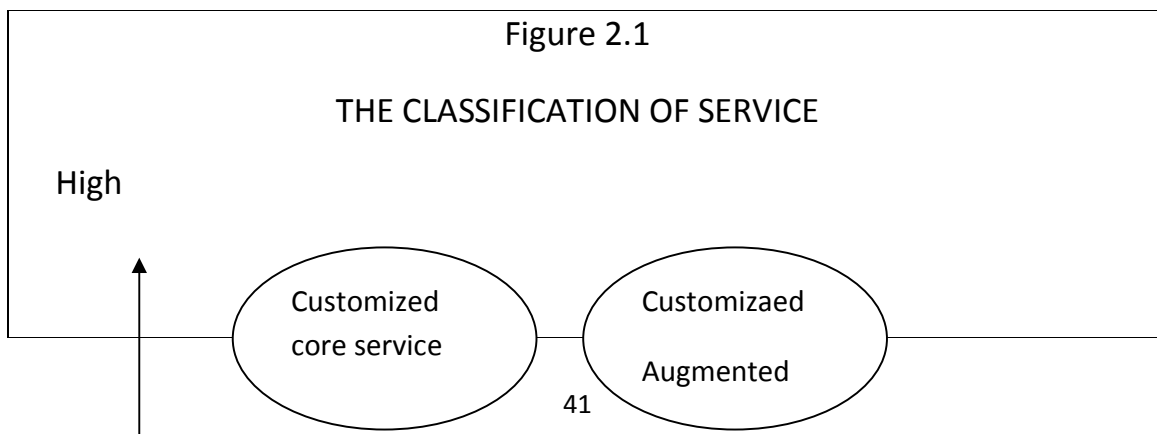
- Pure tangible goods: these include products far on the left side of the goods/services, such as paper, diskette. Generally, the scope of the service offered with this purely tangible product is very limited.
- Tangible goods with accompanying services: service and products are offered together. Highly technical products usually are more dependent upon services such as planning, installation, training and maintenance.
- Hybrid: goods and services offered here are equal. The restaurant industry is one that offers both services and goods. And the service portion of the offering is of equal importance to the tangible product offering.
- Major service with supporting goods and services: the main portion is service with some goods and supporting services.
- Pure service: this offering is primarily a service, such as consulting or advertising.

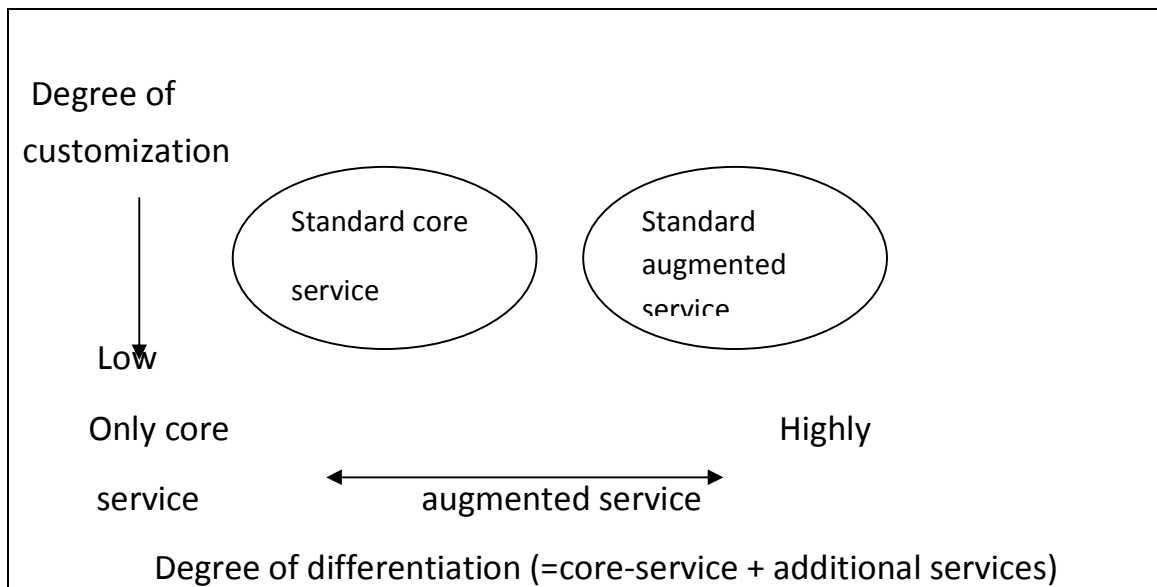
### **2.2.2 Classifying services**



It is important to classify services that are easily differentiated between various types by marketers. Kasper, van Helsdingen and de Vries jr (1999:44) state that classifying services in a structural way will help the service provider to react proactively to the actions of a competitor or major developments in the environment. Figure 2.1 differentiates between various types of services. This classification is based on two issues: the degree of differentiation and the degree of customization.

- The degree of differentiation: it encompasses the core service plus all the additional services, which are more complex. Additional service can be offered by the service provider, which is more appealing to a customer. From the supplier's point of view, a wide or small choice of services may be offered. The degree of differentiation is about how many services the suppliers offer.
- The degree of customization: all the services offered are the same to each customer, or the service can be developed solely to meet the special needs of one particular customer.





Source: Kasper, van Helsdingen and de Vries jr (1999:45)

According to figure 2.1, fine-dining Chinese restaurants could be regarded as a customized core service. Including the services provided by the restaurant, fine-dining restaurants also offer services according to customers' requirements. For example, in fine-dining Chinese restaurants, the flavour of some dishes may be very hot, and customers can order a milder flavour if they prefer. The fine-dining Chinese restaurants could be regarded as a standard flexible service, because restaurant services are 'high-touch' services. Services are mostly dependent on providers in the service-process producing the service.

### 2.3 DEFINING SERVICE MARKETING

Palmer (2005:8) defines service marketing as the management process which identifies, anticipates and supplies customer requirements efficiently and profitably. Gronroos (2000:51) concludes that the heart of marketing services is that the service process and service consumption process match each other, so that customers can perceive good service quality and value, and are willing to repurchase the services. Hoffman and Bateson (2006:v) state that service marketing is not only a marketing tool for service firms, but also a means of competitive advantage for those companies that market products on the tangible dominant side of the continuum.

In this study, service marketing has been developed to be used to examine whether customer expectations can meet the management perceptions of customer expectations. The strategic marketing concept developed is focused on the customer and the organization itself. The organization's service marketing can be considered as a strategy to sell services satisfies the customers.

## **2.4 SERVICE MARKETING MIX**

Lewis, Chambers and Chacko (1995:393) state that the marketing mix involves developing and implementing an appropriate mix of marketing activities directed toward market segments and the target market. Powers and Barrows (2006:162)

state that marketing is a mix of activities that deals with the four Ps: the product itself, the product's price, the place in which it is offered, and promotion of the product. Lewis et al (1995:394) argue that the four Ps in restaurant marketing are not that concept, but the elements of the mix that are essentially based on the marketing of goods. According to Lewis et al (1995:394), restaurant marketing contains four major sub-mixes: the product/service mix, the presentation mix, the communications mix and the distribution mix.

- The product/service mix

According to Lewis et al (1995:394), the product/service mix is the combination of products and services, whether free or for sale, that are aimed at satisfying the needs of the target market. The product/service mix is what customers see and receive when they go to a restaurant. The "free" can be inferred as including those supporting goods that the customer does pay for, but indirectly Lewis et al (1995:394). The "free" features over which management may have little or no control are part of the consumer's expectation (Lewis et al 1995:394). Powers and Barrows (2006:162) state that in a restaurant, the guest's experience involves not only the food served but the way the server and guest interact and the atmosphere of the place.

- The presentation mix

Lewis et al (1995:394) state that the presentation mix is all of the elements used by the firm to increase the tangibility of the product/service mix in the perception of the target market at the right place and time. Lewis et al (1995:394) continue to state that there are six elements of the presentation mix that can be used to make the product/service mix tangible and to differentiate from the competition. These elements include the physical plant, location, atmospherics, price, employees and customers.

- The communication mix

Lewis, Chambers and Chacko (1995:394) state that the communication mix is all the communications between the firm and the target market that increase the tangibility of the product/service mix, that establish or monitor consumer expectations, or that persuade consumers to purchase. Lewis, Chambers and Chacko (1995:394) state that the word *communication* covers a far broader expanse than the word *promotion*. Promotion is one subset of communications. Powers and Barrows (2006:171) state that the most common media for mass communication in food service are electronic and print media, billboards and direct mail. The communications mix contains five elements: advertising, sales promotion, merchandising, public relations and publicity, and personal selling.

- The distribution mix

The distribution mix is the location where the service is to be provided. Lewis et al (1995:394) state that the distribution mix concerns all channels available between the firm and the target market that increase the probability of getting the customer to the product. In a restaurant, a customer must come to the place where a service is produced in order to experience it, making production and distribution largely inseparable.

## **2.5 SERVICE QUALITY**

Service marketing used to be part of the national economy. Nowadays ample attention is paid to the internationalization of services. For the marketing strategy in the service industries the client is important. Service providers will serve the customers according to the customs and norms of their countries. The connections between countries and familiarity will reduce the risk for the foreign subsidiaries which already have information about the way this service firm operates. This research investigates how to keep South African customers in Chinese restaurants. Beside the marketing orientation, marketing has to pay attention to the expectation of customers and how they perceive quality. The following section will mainly introduce the definition of service quality, and a gaps model of service quality.

### **2.5.1 The nature of service quality**

Service quality is not that easy to define. In this study, it is the evaluation of customer satisfaction in the service industry. Most experts agree that customer satisfaction is a short-term, transaction-specific measure, whereas service quality is an attitude formed by long-term, overall evaluation of performance (Hoffman & Bateson, 2006:333). Gronroos (2000:63) states that it is better to talk about quality without defining it. In service quality literature the quality of a particular product or service is whatever the customer perceives it to be.

Parasuraman, Zeithaml and Berry (1988: 12-40) define service quality as the result of an evaluation process in which customers compare their perceptions of the service with their expectations. Zeithaml, Bitner and Gremler (2006:116) state that consumers judge the quality of services based on their perceptions of the technical outcome provided, the process by which that outcome was delivered, and the quality of the physical surroundings where the service is delivered.

### **2.5.2 Service quality dimensions**

McCull-Kennedy (2003:85) states that service quality dimensions are important in service quality evaluation. The first results in researching service quality are from Parasuraman, Zeithaml and Berry with their model named SEVQUAL,

which depicted ten dimensions of service quality (Kasper, van Helsdingen & de Bries jr, 1999:213). These are classified below:

- Tangibles: appearance of physical facilities, equipment, personnel, and communication materials.
- Reliability: ability to perform the promised service dependably and accurately.
- Responsiveness: willingness to help customers and provide prompt service
- Competence: possession of the required skills and knowledge to perform the service.
- Courtesy: politeness, respect, consideration, and friendliness of contact personnel.
- Credibility: trustworthiness, believability, honesty of the service provider.
- Security: freedom from danger, risk, or doubt.
- Access: approachability and ease of contact.
- Communication: keeping customers informed in language they can understand and listening to them.
- Understanding the customer: making the effort to know customers and their needs.

With more quantitative research on service quality, the researchers divide the ten dimensions of service quality into five dimensions, which are tangibles, reliability, responsiveness, assurance and empathy (Hoffman & Bateson, 2006:341). These five dimensions create the conceptual model (see fig. 1.1).

- Tangibles: the tangibles dimension of SERVQUAL compares customer expectations and the firm's performance regarding the firm's ability to



manage its tangibles (Hoffman & Bateson, 2006:341).

- Reliability: the service firm provides its customers with accurate service the first time without making any mistakes and delivers what it has promised to do by the time that has been agreed upon (Gronroos, 2000:74).
- Responsiveness: the employees of a service firm are willing to help customers and respond to their requests as well as to inform customers where service will be provided, and then give prompt service (Gronroos, 2000:74).
- Assurance: is used effectively for positioning in industries where trust and confidence in the service provider are particularly critical (Zeithaml & Bitner, 1996:289).
- Empathy: builds on the customer's desire for caring, individualized attention (Zeithaml & Bitner, 1996:289).
- 

### **2.5.3 Seven criteria of perceived good service quality**

The five determinants of SERVQUAL are usually used as starting points for managers who want to develop an appropriate list of attributes or features that describe a given service. The seven criteria of perceived good service quality can be viewed as guidelines based on a solid body of empirical and conceptual research as well as on practical experience. Figure 2.3 provides seven criteria of perceived good service quality, which encompasses professional and skills,

attitudes and behaviour, accessibility and flexibility, reliability and trustworthiness, service recovery, servicescape, reputation and credibility.

**Table 2.1 Seven criteria of perceived good service quality**

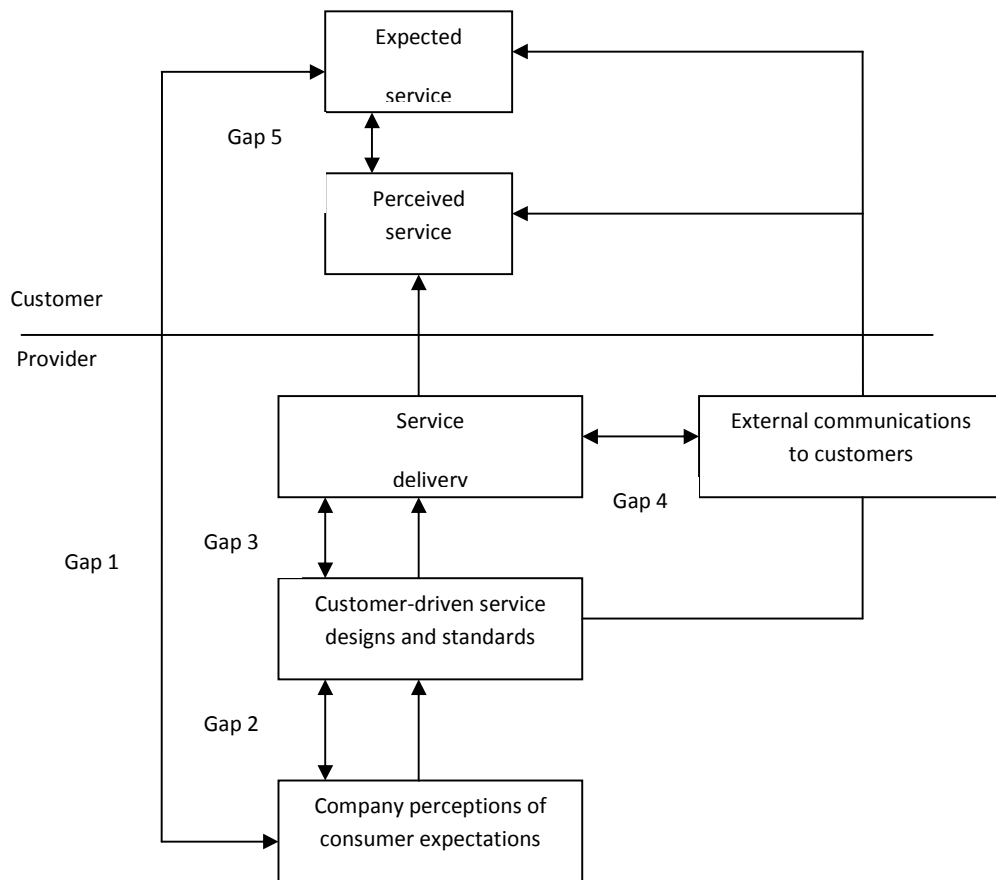
<p>1. Professionalism and skills (outcome-related criteria)          Customers realize that the service supplier, its employees, operational systems, and physical resources can solve their problems in a professional way.</p>
<p>2. Attitudes and behaviour (process-related criteria)          Customers feel that service employees care for them and are likely to solve problems in a friendly and spontaneous way.</p>
<p>3. Accessibility and flexibility (process-related criteria)          Customers know that the service providers and their employees are worked and designed in a system in order to get access to the service easily and satisfy customers' demands and wishes in a flexible way.</p>
<p>4. Reliability and recovery (process-related criteria)          Customers know that whatever happens, the service provider can keep promises and perform with the best interests of the customers at heart.</p>
<p>5. Service recovery (process-related criteria)          Customers realize that whatever happens, the service provider will take part in the situation, and find a new, acceptable solution.</p>
<p>6. Servicescape (process-related criteria)          Customers feel that physical surroundings and the environment of service-encounter support a positive experience of the service process.</p>
<p>7. Reputation and credibility (image-related criteria)          Customers believe that the service provider's business can be trusted and has valuable evaluation, and that it has a good operation system and values which can benefit the customers and the service provider.</p>

Source: Adapted from Gronroos (2000:81)

#### **2.5.4 Gaps model of service quality**

The gap analysis model is used for analysing sources of quality problems and for helping managers understand how service quality can be improved (Gronroos, 2000:100). The service gap is the most critical; hence, the ultimate goal in improving service quality is to close or narrow this gap as much as possible (Lovelock & Wirtz, 2004:413).

**FIGURE 2.2: A CONCEPTUAL MODEL OF SERVICE QUALITY**



Source: Zeithaml et al (2006:46)

According to figure 2.2, five discrepancies between the various elements of the basic structure, so-called quality gaps, are illustrated. These gaps are the result of inconsistencies in the quality-management process. The five gaps, and their consequences, are discussed in the next section.

- The knowledge gap (gap 1)

This is the difference between what consumers expect of a service and what management perceives the consumer to expect (Hoffman & Bateson, 1997:300).

- The standards gap (gap 2)

This is the difference between what management perceives consumers to expect and the quality specifications set for service delivery (Hoffman & Bateson, 1997:300).

- The delivery gap (gap 3)

This is the difference between the quality specifications set for service delivery and the actual quality of service delivery (Hoffman & Bateson, 1997:301).

- The communications gap (gap 4)

This is the difference between the actual quality of service delivered and the quality of service described in the firm's external communications such as brochures and mass media (Hoffman & Bateson, 1997:301).

- The service gap (gap 5)

It is the function of the knowledge gap, the specifications gap, the delivery gap, and the communications gap (Hoffman & Bateson, 1997:301).

In this research, the researcher mainly studies the knowledge gap (gap 1), the difference between what consumers expect of a service and what management perceives the consumers to expect. Actually it is the gap between customer

expectations and fine-dining Chinese restaurants managers' perception.

Through the knowledge gap study, it is essential to define the meaning of expectation, perception, method of measuring service quality and other related issues.

### **2.5.5 Measuring service quality**

The measurement of service quality is obtained by comparing perceptions to expectations. A frequently used and highly debated measure of service quality is the SERVQUAL. The SERVQUAL instrument is based on five service quality dimensions (tangibles, reliability, responsiveness, assurance and empathy) that are obtained through extensive focus group interviews with consumers (Hoffman & Bateson, 2006:341). The SERVQUAL is based upon a generic 44-item questionnaire which is designed to cover five broad dimensions of service quality which the research team consolidated from their original qualitative investigations (Palmer, 2005:269).

#### **2.5.5.1 Criticisms of SERVQUAL**

The major criticisms of the instrument involve the length of the questionnaire, the validity of the five service quality dimensions, and the predictive power of the instrument in regard to subsequent consumer purchases (Hoffman & Bateson,

2006:346). There is the important interpretation, which explains the SERVQUAL results.

- Length of the questionnaire

SERVQUAL is a 44-item scale which is argued to be highly repetitive and unnecessarily increases the questionnaire's length. Opponents of SERVQUAL further argue that the expectations section of the instrument is of no real value and that the perceptions section should be utilised alone to assess service quality (Hoffman & Bateson, 2006:346).

- The validity of the five dimensions

Another criticism of the SERVQUAL is that the five dimensions of service quality - reliability, assurance, responsiveness, empathy and tangibles - do not hold up under statistical scrutiny. Opponents of SERVQUAL question the validity of the specific dimensions in the measurement instrument (Hoffman & Bateson, 2006:347).

- The predictive power of SERVQUAL

The research has indicated that the perceptions section alone of the SERVQUAL scale is a better predictor of purchase intentions than the combined expectation-minus-perception instrument (Hoffman & Bateson, 2006:347).

### 2.5.5.2 Five dimensions of the SERVQUAL model

In order to address the aim of the research, a self-administered questionnaire is designed to collect data on 26 service attributes. These attributes are based on five service quality determinates, which are reliability, responsiveness, assurance, empathy and tangibility. Table 2.4 gives a clear explanation of these five determinates in terms of the Chinese fine-dining restaurants service.

**Table 2.2 The SERVQUAL dimensions**

Dimensions	Description
Reliability	Restaurant services are willing to perform the service dependably and accurately as promised.
Responsiveness	Restaurant services are willing to help customers and solve their problems effectively.
Assurance	Restaurant service should be knowledgeable, to help customers and offer friendliness and courteous service.
Empathy	Restaurant service should understand customers' needs and have customers' best interests at heart.
Tangibility	Restaurant service must provide an attractive, comfortable environment, physical facilities and neat appearance of employees.

Source: Adapted from Parasuraman et al (1988:12-40)



## **2.6 SUMMARY**

This chapter addressed the theoretical framework. The literature used to support the objectives was cited from the library and electronic database. In an attempt to address the objectives of this research, the main concepts, service, service quality and service marketing, were explained in detail.

The characteristics of service that differentiate it from goods are intangibility, inseparability, heterogeneity and perishability. The service classifications are useful for the firm to divide itself from other competitors which are based on the two issues, the degree of differentiation and the degree of customisation. The next section was focused on the nature of service marketing and service marketing mix, which consists of service mix, presentation mix, communication mix and distribution mix.

Lastly, service quality was discussed. The nature of service quality, service quality dimensions, and the measurement of service quality were introduced precisely.

## CHAPTER 3

### CUSTOMER EXPECTATIONS AND PERCEPTIONS

#### 3.1 INTRODUCTION

In Chapter 2 the nature of service, how to measure service quality, and the service quality gap model were analysed. To analyse the service gap model 1, the one being studied in this research, customer expectations and perceptions are essential for the proposed study. To achieve this objective requires an in-depth analysis of secondary sources dealing with the types of expectations for service-performance and the zone of tolerance, the factors that influence customer expectations.

In this chapter we provide a framework for thinking about customer expectations and perceptions. The chapter is divided into three main sections: (1) the meaning and types of the expected service  
(2) factors that influence customer expectations of service and  
(3) factors that influence customer perceptions of service.

### **3.2 CUSTOMER EXPECTATIONS OF SERVICE**

In an international perspective, it is important to know that expectations on the same service may differ per country. It is clearly shown in this study that customer expectations of Chinese fine-dining restaurants are different from those of local restaurants. Understanding customer expectations is important for the service provider, in order to avoid customers having expectations that cannot or will not be met.

Kasper et al (1999:196) state that customer expectations are very individualistic, unstable in the sense that they may change over time due to changes in aspiration levels or needs at a particular moment in time. Therefore, expectations will be domain specific and may alter under the influence of all kinds of new situations. Kasper et al (1999:196) add that expectations are not only determined by individuals themselves, but also by reference groups, external situations, norms, values, time, and the service provider. Expectations can be formulated in terms of “what should be done” and in terms of “what will be done”.

### **3.2.1 Types of service expectations**

In this study, service expectations are divided into two different types of expectations of service: desired service and adequate service. According to Lovelock and Wright (2002:81), “desired service can be defined as the level of service the customer hopes to receive - the ‘wished for’ level of programmes.” The desired service is the one which the customer believes can be or should be received in processing. For example, the customers who are used to eating in Chinese fine-dining restaurants, believe that they can be served with what they want. When they receive what they should receive, it results in customer satisfaction with the service which has been provided in the Chinese fine-dining restaurant. It will lead the business to success. But in reality, customers who receive information from TV or web sites, think that Chinese food is hot, has a strong flavour and looks delicious. When they have to chance to taste it, it is totally different from what they thought before. It actually can be related to service quality gap 5, but in this situation, there is no gap between customer expectation and perception.

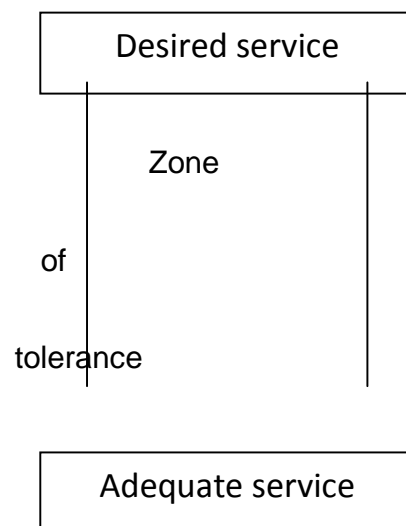
The other type of service is called adequate service. Zeithaml and Bitner (1996:78) state that adequate service is the level of service the customer will

accept. When people realize that the service would not be as excellent as they had hoped, they lower the level of expectation to the threshold of acceptable service. For example, some graduates accept any job, just wanting to earn a salary. Some of them want to have experience in order to have a chance to work in their own countries and they don't mind working in foreign countries first. Zeithaml and Bitner (1996:78) state that adequate service represents the "minimum tolerable expectation".

The levels of expectation show the phenomenon that two organizations in the same business can offer different levels of service and still keep the customers happy. The expectation box illustrates that customers have similar levels of expectation across categories of service and that these categories are not as broad as whole industries. For example, among subcategories of Chinese restaurants in Port Elizabeth are the following: Chinese take-away restaurants and Chinese fine-dining restaurants. A customer's desired service expectation for a Chinese take-away is that it should be quick, convenient, low priced, tasty and in a clean setting. A customer's desired service expectation for Chinese fine-dining restaurants is very different from that of Chinese take-away restaurants. The customer wants elegant surroundings, candlelight, fine food and gracious waitresses to serve.

Figure 3.1 shows the two levels of expectations as the upper and lower boundaries for the expectation “box”. The levels of expectation are present when two restaurants in the same business provide different levels of service, which can satisfy the customer. For example, in some Chinese fine-dining restaurants, the waitresses are paid with average tips, which means that whichever way the waitress serves the customers, she will be paid the same. This will decrease the waitress’s enthusiasm, leading the customer to receive different levels of service.

**FIGURE 3.1 DUAL CUSTOMER EXPECTATION LEVELS**



Source: Adapted from Zeithmal and Bitner (1996:80)

Gronroos (2000:89) argues that three types of expectations can be identified: fuzzy, explicit and implicit expectations. The characteristics of these three types of expectations are identified in the following way:

- Fuzzy expectations exist when there is a problem. Customers want it to be solved, but they don't have a clear understanding of what should be done.
- Explicit expectations: There are clear understandings in the customer's mind in advance of the service processes. Explicit expectations can be divided into realistic and unrealistic expectations.
- Implicit expectations: The elements of the service are very clear to the customers, so that they don't even have to think about them but take them for granted (Gronroos, 2000:89-90).

### **3.2.2 The zone of tolerance**

The difference of the desired service level and the adequate service level can be called the zone of tolerance. Kasper et al (1999:197) imply that the zone of tolerance is the extent to which customers recognize and are willing to accept heterogeneity. In figure 3.1, the expectation box shows that when service drops below adequate service (the minimum level considered acceptable) customers will be frustrated and their satisfaction with the company undermined, decreasing the zone of tolerance. If service performance is outside the zone of tolerance at the top end, where performance exceeds desired service, customers will be very happy and probably quite surprised as well.

Zeithaml and Bitner (1996:80) state that the tolerance zone represents the difference between desired service and the level of service considered adequate. This can expand and contract within a customer. Customers' tolerance zones vary for different service attributes or dimensions. When the factor is more important, the narrower the zone of tolerance is likely to be. Lovelock and Wright (2002:82) state that the zone of tolerance can increase or decrease for individual customers depending on factors like competition, price, or importance of specific service attributes.

### **3.2.3 Factors that influence customer expectations of service**

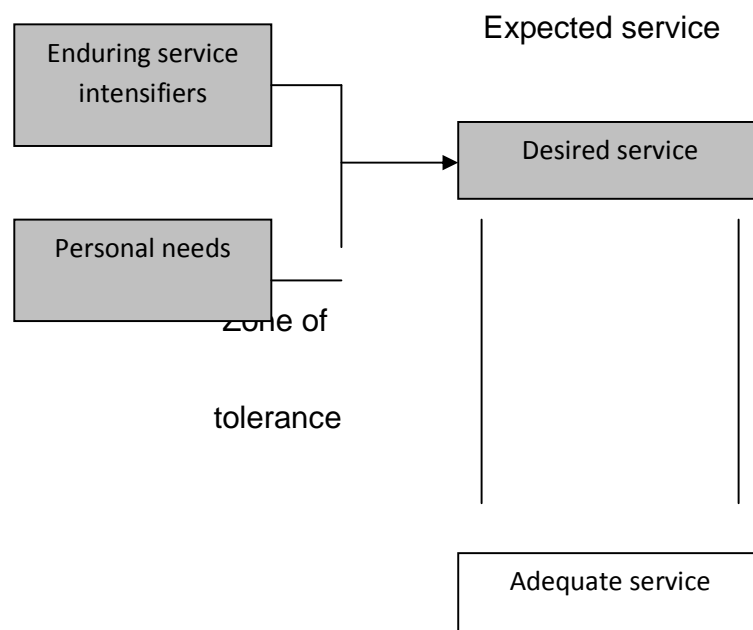
Customer expectations of service play an important role in evaluation of services. It is necessary for marketers to understand the factors that shape them. According to Lovelock and Wright (2002:81), customer expectations embrace several different elements, which are desired service, adequate service, predicted service, and a zone of tolerance that falls between the desired service and adequate service level. In the following section, the research is going to explain the factors that influence customer expectations in detail.

#### **3.2.3.1 Factors that influence desired service expectations**



According to Zeithmal and Bitner (1996:82,) there are two factors which influence the desired service expectation. These are personnel needs and enduring service intensifiers, as shown in figure 3.2.

**FIGURE 3.2 FACTORS THAT INFLUENCE DESIRED SERVICE**



Source: Adapted from Zeithaml and Bitner (1996:83)

Two factors influence the perception of desired service. These factors, listed by Zeithaml and Bitner (1996:83), are explained below, within the context of the Chinese fine-dining restaurant.

a) Personal needs: the pivotal factors shape the level of desired service, which can be physical, social, psychological or functional (Zeithmal & Bitner, 1996:82). For example, a couple wants to go to a Chinese fine-dining restaurant during the weekend. The restaurant must provide a comfortable, relaxed, candlelit, romantic area for their psychological needs. For their physical needs, they should be offered fine food and good service quality.

b) Enduring service-intensifiers: those factors lead to a heightened sensitivity to service. These factors are stable and individual. According to Zeithaml and Bitner (1996:83), there are two important factors that affect enduring service-intensifiers, which are called derived service expectations and personal service philosophy. Derived service expectations occur when customer expectations are driven by another person or a group of people. For example, a grandson from a big family has wanted a cloak printed with Harry Potter for a long time. His grandmother makes one for him as a Christmas gift. His need is driven in part by the derived expectations from the other family member. Customers in the restaurant business may derive their expectations from their managers and restaurant owners.

The other enduring service-intensifier is personal service philosophy, which is the customer's attitude to the meaning of service and performances by service providers (Zeithaml & Bitner, 1996:84). Usually, customers who are in the service business, or have worked in it before, seem to have a strong service philosophy. A waitress who is working at a restaurant has a strong service philosophy because she has standards for restaurant service that were shaped by her training and experience. So the expectations of customers, who have their personal philosophies about service provision, will be intensified.

### **3.2.3.2 Factors that influence adequate service expectations**

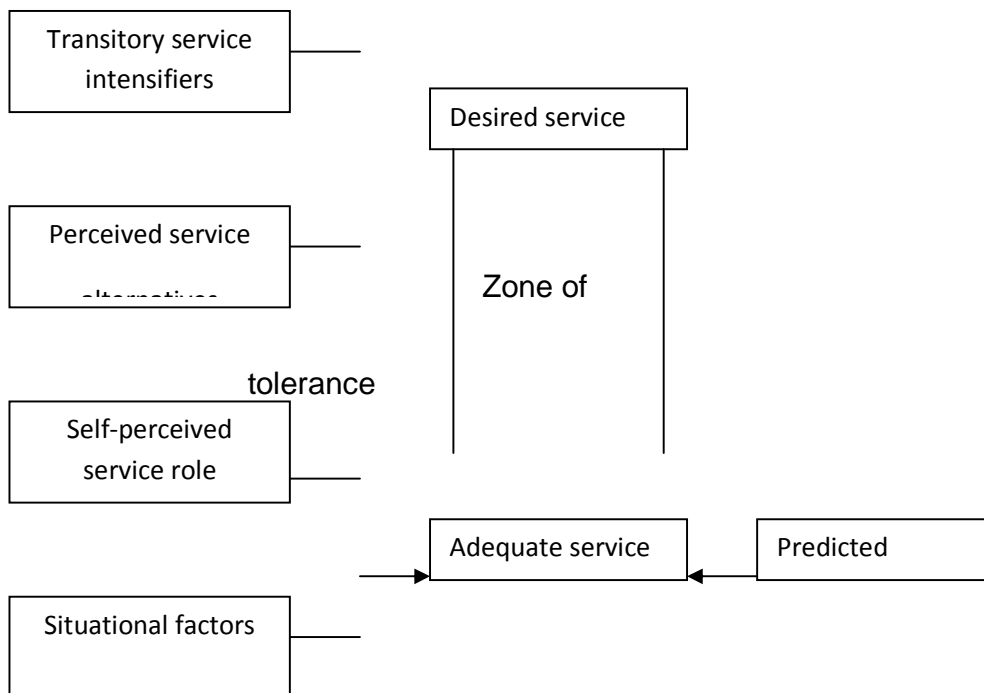
A different set of determinants, which are:

- a) Transitory service intensifiers
- b) Perceived service alternatives
- c) Customer self-perceived service role
- d) Situational factors, and
- e) Predicted service

affect adequate service (Kasper et al, 1999:199). Generally, these factors are short term in nature and tend to fluctuate more than the somewhat stable factors that influence desired service.

These factors are shown in figure 3.3 below.

**FIGURE 3.3 FACTORS THAT INFLUENCE ADEQUATE SERVICE**



Source: Adapted from Zeithaml and Bitner (1996:85)

These five factors will be identified below.

a) Transitory service-intensifiers: temporary, individual factors that make a customer more likely to care for the need for service (Zeithaml & Bitner, 1996:84). They are always short term in nature. For example, in a personal emergency situation, service that raises the level of adequate service expectation, especially the level of responsiveness required and considered acceptable, is urgently needed.

b) Perceived service alternatives: other providers who can offer a similar service programme. Usually, if the customers do not only have one service provider, their levels of adequate service expectation are higher than those who believe it is not possible to get better service elsewhere. For example, there are a lot of Chinese fine-dining restaurants both in Port Elizabeth and Cape Town. If one customer has been to a restaurant in Cape Town, his adequate service expectation must be higher than someone else who has been only to the one in Port Elizabeth. In Cape Town, because there are more Chinese fine-dining restaurants, standards are much higher than the ones in Port Elizabeth.

c) Self-perceived service role: customer perceptions of the degree to which customers exert an influence in the level of service they receive (Zeithaml & Bitner, 1996:86). The levels of customer expectation are based on how well they believe they are performing their own role in the service delivery. For example, a customer in a restaurant who explains explicitly to the waitress that he cannot

eat something too hot, may be more dissatisfied than a customer who does not articulate the flavour of the food, if the served food is too hot when it comes to the table.

d) Situational factors: service performance conditions that customers view as beyond the control of the service provider. For example, a sudden power cut-off.

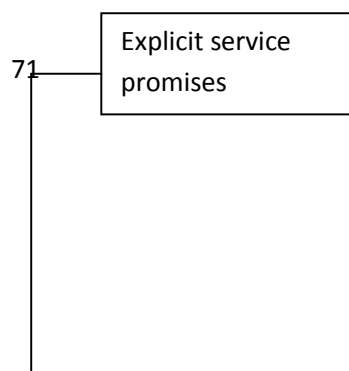
e) Predicted service: the level of service that customers believe they are likely to get (Zeithaml & Bitner, 1996:87). When the customers predict good service, their levels of adequate service are likely to be higher than if they predict poor service. Sometimes, South African customers predict Chinese food to be different from that which they receive. For this reason, the owners of Chinese take-away restaurants change the flavour of Chinese foods slightly, in order to be popular.

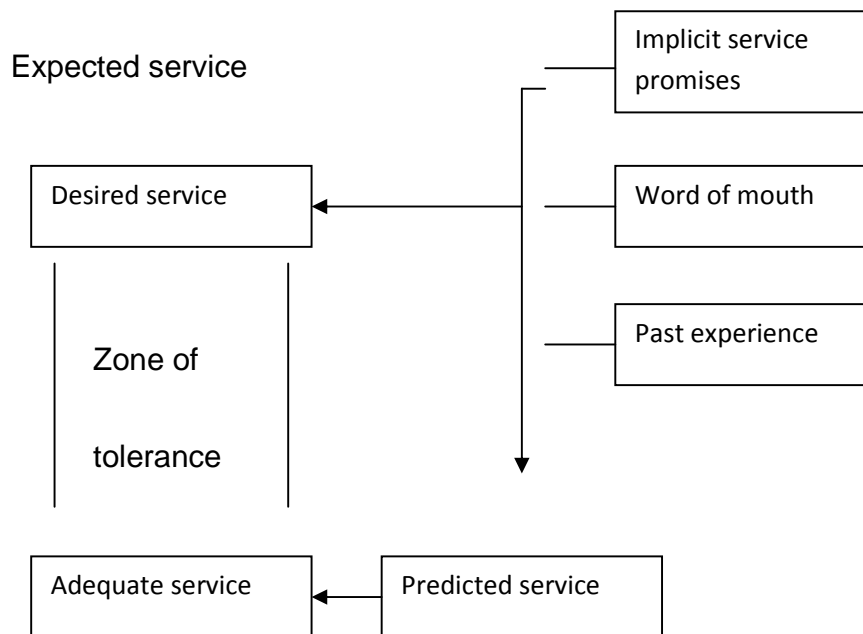
### **3.2.3.3 Sources of both desired and predicted service expectations**

When consumers are fond of purchasing service, they are likely to search for information from several different sources. They may conduct an internal search by reviewing the information about the service that they remember. Or they may search for it from some active and passive types of external sources. In the following section, Zeithaml and Bitner (1996:89) list one internal and three external factors that influence both desired service and predicted service expectations. These are explicit service promises, implicit service promises, word-of-mouth communications, and past experience, as shown in figure 3.4. The following promises are identified by Hoffman and Bateson (2006:325).

- Explicit service promises: obligations to which the firm commits itself via its advertising, personal selling, contracts, and other forms of communication. It encompasses statements about the service made by Chinese fine-dining restaurants to the customers.
- Implicit service promises: to which the firm commits itself via its advertising, personal selling, contracts, and other forms of communication. Because of the high prices in Chinese fine-dining restaurants, customers anticipate high quality service.
- Word-of-mouth communications: unbiased information from someone who has been through the service experience, such as friends, family, or consultants. This information regarding the restaurant service is communicated to customers by friends or ex-customers.
- Past experience: previous service-encounters a consumer has had with a service provider, which shape predictions and desires. Chinese fine-dining restaurant customers tend to compare service with the standards set by local restaurant service.

**FIGURE 3.4 FACTORS THAT INFLUENCE DESIRED AND PREDICTED SERVICE**





Source: Adapted from Zeithaml and Bitner (1996:88)

### 3.3 CONSUMER PERCEPTIONS OF SERVICE

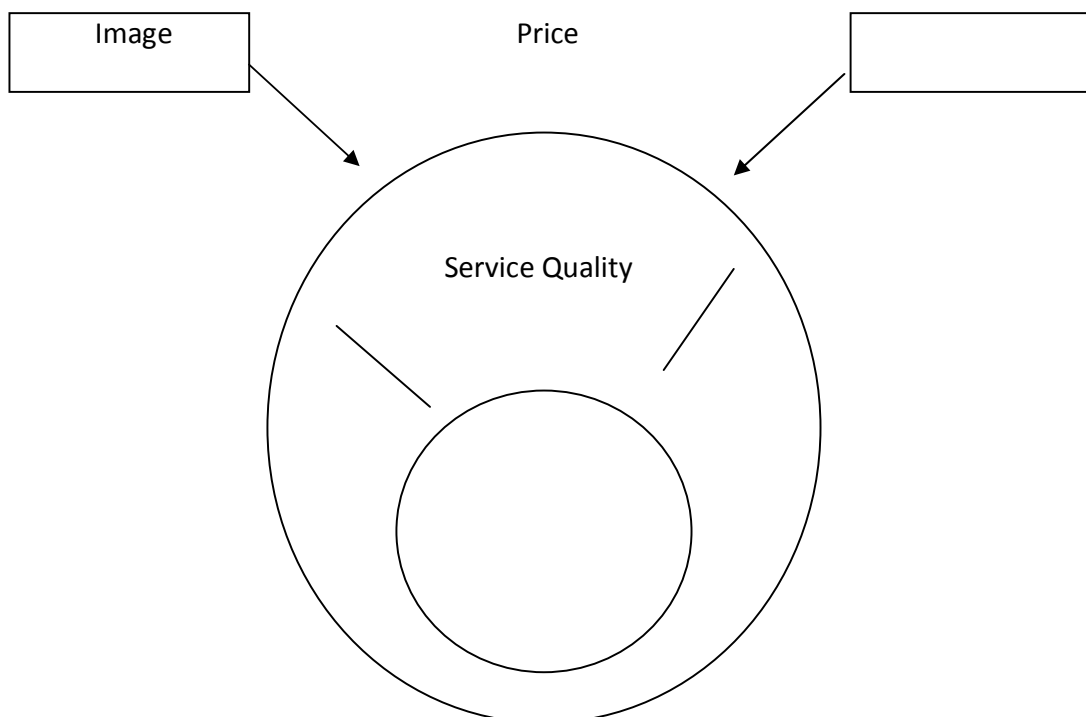
Zeithaml & Bitner, (2000:27) describe customer perceptions as the subjective assessments of actual service experiences. When the customer perceptions match up to the expectations, it can be perceived to be good service quality. In the following section, the researcher will explain the related issues about the perceptions. According to Zeithaml (1996:104), customer perceptions encompass service quality, customer satisfaction and value. These three elements are discussed below (see figure 3.5).

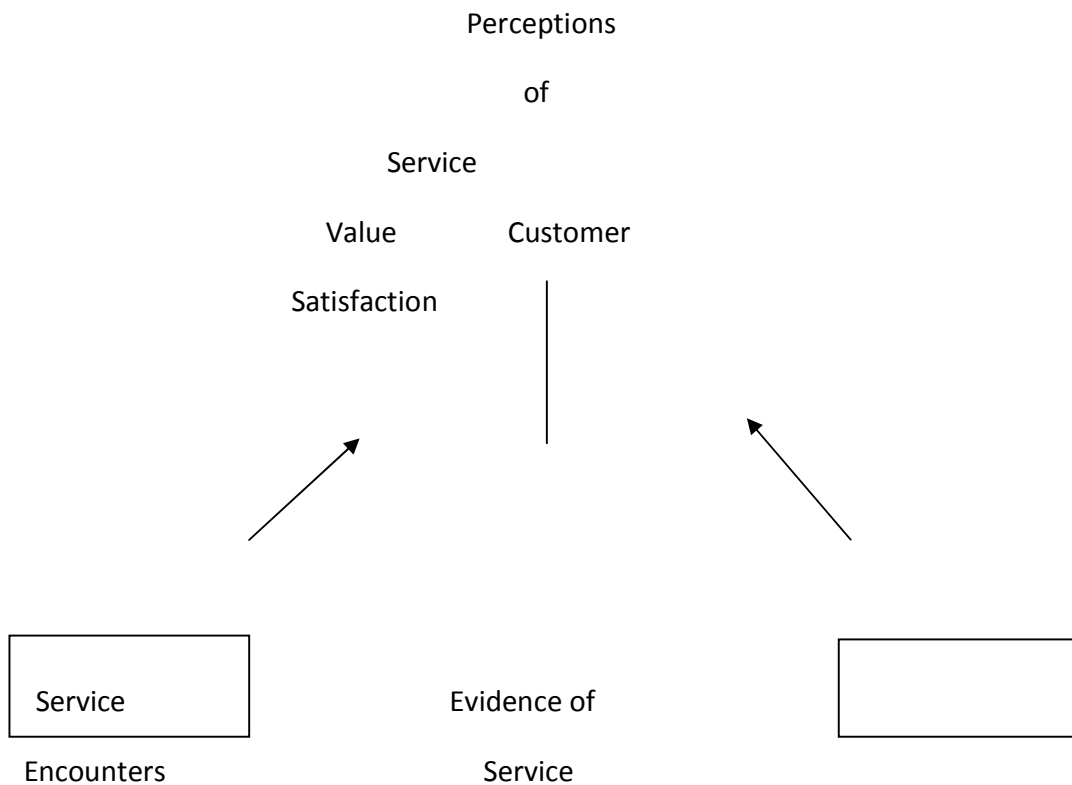


### 3.3.1 Service quality

Earlier, the researcher defined service quality, service quality dimensions and the service quality gap model. The focus of this section is how customers judge service quality. They judge the quality of service on the perceptions of the technical outcome provided, and how the outcome was delivered (Zeithaml & Bitner, 1996:117). The customer's overall judgment of service quality can depend on the service delivery process and its outcome. A restaurant customer judges the service on her perceptions of the meal, which is the technical outcome quality. She can also judge the service on how the meal was served and how the employees interacted with her, which is the process quality.

**FIGURE 3.5 CUSTOMER PERCEPTIONS OF SERVICE**





Source: Adapted from Zeithaml & Bitner (1996:104)

Figure 3.5 illustrates the primary factors (service quality, value, customer satisfaction) influencing customer perceptions of service. Each of these factors will be explained in the following section. The other four factors shown in the boxes in the figure will be discussed and illustrated in this section. Two of the factors – service encounters and evidence of service – will be covered in greater depth than the others since they are unique and clearly distinguish perceptions of service from perceptions of manufactured products.

### 3.3.2 Customer satisfaction

A variety of alternative definitions exist. The most popular one of customer satisfaction is that it is a comparison of customer expectations with perceptions regarding the actual service encounter (Hoffman & Bateson, 2006:304). After consumers have ordered and eaten their meal, they can evaluate the outcomes of their choice. If their evaluations are positive (their needs or goals have been met) they feel satisfied.. When consumers have a negative evaluation of an outcome, they feel dissatisfied (Hoyer & MacInnis, 2004:280).

Table 3.1 shows all the alternative definitions.

**TABLE 3.1 ALTERNATIVE SATISFACTION DEFINITIONS**

Table 3.1 ALTERNATIVE SATISFACTION DEFINITIONS	
Normative deficit definition	Compares actual outcomes to those that are actually acceptable.
Equity definition	Compares gain in a social exchange - if the gains are unequal, the loser is dissatisfied.
Normative standard definition	Expectations are based on what the consumer believes he/she should receive - dissatisfaction occurs when the actual outcome is different

	from the standard expectation.
Procedural fairness definition	Satisfaction is a function of the consumer's belief that he/she was treated fairly.

Source: Adapted from Hunt (1991:109-110)

Customer satisfaction is based on expectations. Performance measures whether these expected outcomes have been achieved. Performance can be objective or subjective. Objective is based on the actual performance; subjective is based on individual feelings. If the performance is as good as expected, a simple confirmation has occurred, and this will lead to customer satisfaction. Customer satisfaction with the restaurant business is a broader concept that will certainly be influenced by perception of service quality. Service quality of a restaurant could be judged on attributes such as whether the customer has good quality food, or whether the waitress is responsive and attentive.

### **3.3.3 Perceived value**

Zeithaml and Bitner (1996:124) define the perceived value as the consumer's overall assessment of the utility of a product based on perceptions of what is received and what is given. Solomon, Marshall & Stuart (2008:19) state that value is the benefit a customer receives from buying an item or a service.

Value is related to the benefits perceived by customers, when comparing monetary cost with time and effort. A customer may judge whether a restaurant provides a good service quality, and whether he/she is satisfied with the experience with it. But he/she may perceive that the value of a restaurant is not fully up to standard, comparing the expectation or the amount charged with extra services they provide.

### **3.3.4 Factors that influence customer perceptions**

There are four factors - service encounters, evidence of service, image and price - influencing customer perceptions of service, as shown in figure 3.5.

Service encounters and evidence of service are two factors that have a greater influence than the other two factors. The four factors are explained as follows:

#### **a) Service-encounters**

Lovelock and Wright (2002:53) define service-encounter as a period of time during which customers interact directly with a service. Some researchers use the term 'encounter' simply to describe personal interactions between customers and employees. During the service-encounter, the customer's experiences in purchase and use of a piece of equipment for business-to- business, are sales contact, service delivery, installation, billing and servicing.

The moment of truth as a service-encounter cascade for a restaurant visit is booking the table – taking the order – delivering the order – finishing the meal –

paying for the meal. Each of the encounters contributes to the customer's overall satisfaction and willingness to repeat the purchase with the restaurant. From the restaurant's point of view, each encounter presents an opportunity to prove its potential as a quality service provider and to increase customer loyalty. Early events in the encounter cascade are normally very important, and encounter is essential in determining customer satisfaction and loyalty. When a customer interacts with a restaurant for the first time, that initial encounter will create the first impression of the restaurant. For the first contact with the restaurant, a customer has no other basis for judging the restaurant; so the initial phone contact or face-to-face experience with a representative of the restaurant can be of great importance to the customer's perception of the service quality.

b) The evidence of service

Owing to the tangible characteristics of service, customers have to search for evidence of service in every interaction. There are three categories of evidence as experienced by the customer: people, process, and physical evidence (Zeithaml & Bitner, 2000:95). Explanations of the three categories are shown as follows:

- People (or staff): whether they are courteous, helpful, and knowledgeable.
- Process: whether the service is effective and the system is computerized and accurate.
- Physical evidence: the tangibility of service, such as equipment and the

physical facility where the service is offered.

Each of these categories consists of several elements that are present in the service-encounter, and are very important in managing service-encounter quality and creating customer satisfaction.

c) Image: perceptions of an organization reflected in the associations remembered by the consumer (Zeithaml & Bitner, 1996:114). For restaurant business, these associations can be related to the user of the service, the service-experience itself, or a symbol. For example, Chinese fine-dining restaurants are likely to use the symbol “dragon” as an image of the restaurant, verifying the old words “Chinese are the dragon’s next generations.” A very positive image will serve as a buffer against incidents of poor service. If the customer has an overall very positive image of the restaurant, one bad experience is not likely to be fatal (Zeithaml & Bitner, 1996:115).

d) Price: the price of the service can influence perceptions of quality, satisfaction, and value. Because services have a tangibility characteristic, and it is difficult to judge their value, price is always relied on as a surrogate indicator that will influence quality expectations and perceptions. If the price in one restaurant is very high, customers are likely to expect a high quality of food and service, and their actual perceptions will be influenced by this expectation. If the price is too high, the restaurant may be sending a message of unconcern to its customers or “ripping-them-off”. On the other hand, if the price is too low, customers may be dubious of the freshness of the food.

### **3.4 SUMMARY**

To address the objectives of the research, the researcher provided an overview of relevant literature. The literature study focused on the nature of customer expectation and perception, which are the determinants of service quality.

First, a customer-expectation definition was identified, followed by a description of levels of expectation, which are desired service, adequate service and zone of tolerance. Secondly, factors that influenced customer expectation were explained. Desired service was influenced by personal needs and enduring service intensities. Adequate service was influenced by transitory service-intensifiers, a perceived service alternative, a self-perceived service role, situational factors and predicted service. Finally, a definition of customer perception and influencing factors were explained. Research methodology will be explained in detail in Chapter 4, including methods of data collection, sourcing and questionnaire design.

## **CHAPTER 4**

### **RESEARCH METHODOLOGY**

#### **4.1 INTRODUCTION**



This chapter addresses the research objective, which determines the various techniques for the research methodologies, data-collection methods and methods of analysis. This objective implies the overall research design for the study.

The research process begins by defining the research design or type of study. Next, the researcher chooses the data-collection method – depending on whether there is secondary data available. The researcher will determine what type of sample is to be used for the study and then collect data. The final steps in the research are to analyse and interpret the data and prepare a research report.

## **4.2 RESEARCH DESIGN**

Since the researcher has clearly identified the research problem, this step is to develop a formal research design. According to Zimund and d'Amico (2006:133), the research design is “a master plan that identifies the specific techniques and procedures that will be used to collect and analyse data about a problem.” In order to meet the researcher's main goals, the research design must be carefully compared to the research objectives to ensure that the sources of data, the data collected and the scheduling and costs involved are

relevant. Research design may be broadly classified as exploratory research and conclusive research.

**TABLE 4.1**

**DIFFERENCE BETWEEN EXPLORATORY AND CONCLUSIVE RESEARCH**

Differences Between Exploratory and Conclusive Research		
Research project component	Exploratory research	Conclusive research
Research purpose	General: To generate insights about a situation	Specific: To verify insights and aid in selecting a course of action.
Data needs	Vague	Clear
Data sources	Ill defined	Well defined
Data-collection form	Open-ended; rough	Usually structured
Sample	Relatively small, subjectively selected to maximize generalization of insights.	Relatively large. Objectively selected to permit generalization of findings
Data collection	Flexible; no set procedure	Rigid, well laid-out procedure.
Data analysis	Informal; typically nonquantitative	Formal; typically quantitative.
Inferences/recommendations	More tentative than final	More final than tentative

Source: Adapted from Parasuraman, Grewal and Krishnan (2007:57)

The purpose of a research study and the precision of its data requirements determine whether it is exploratory research or conclusive research. Exploratory research is used when the researcher has a sense of needing marketing research but is not sure what the situation is and in what direction he/she should go. Conclusive research is used when the researcher has an idea in mind what type of information he/she is going to use (Parasuraman, Grewal and Krishnan, 2007:57). Table 4.1 illustrates both exploratory research and conclusive research, differing only in terms of the degree of formalization and flexibility of the components.

a) Exploratory research

Marketers basically use exploratory research to collect information for further study, more rigorous studies to come up with the ideas for the new strategies and opportunities or perhaps just to obtain a better handle on a problem (Solomon, Marshall and Stuart, 2008:116). According to Kotler and Armstrong (2006:106), exploratory research aims to “gather preliminary information that will help define the problem and suggest hypotheses.” Zikmund and d’Amico (2006:132) state that exploratory research is sometimes needed to clarify the nature of a marketing problem, or help the management to analyse the situation when management may know what the problem is but not how big or how far-reaching it is.

b) Conclusive research

The insights gained from exploratory research might be verified or quantified by conclusive research. Conclusive research aims to “verify insights and to aid decision-makers in selecting a specific course of action (Parasuraman et al, 2007:57).” Conclusive research is typically more formal and structured than exploratory research. It is based on large, representative samples and the data obtained is subject to quantitative research. Conclusive research designs may be either descriptive or causal research.

- Descriptive research

Descriptive research uses “a set of scientific methods and procedures to collect raw data and create data structures that describe the existing characteristics (e.g., attitudes, intentions, preferences, purchase behaviours, evaluations of current marketing mix strategies) of a defined target population or market structure (Hair, Bush and Ortinau, 2003:41).” Descriptive research is conducted for the following reasons (Malhotra, 2004:78):

- ✓ to describe the characteristics of relevant groups, such as consumers, salespeople, organizations or market areas
- ✓ to estimate the percentage of the units in a specific population exhibiting a certain behavior
- ✓ to determine the perceptions of a product’s characteristics
- ✓ to determine the degree to which marketing variables are associated
- ✓ to make specific predictions

- Causal research

Causal research (also known as experimental research) is “a research method in which the researcher changes one variable and observes the effects of that change on another variable (Zikmund and d’Amico, 2006:138).” This method overcomes the lack of control suffered by descriptive projects through collecting data in an environment in which the hypothesized causal variables are manipulated and the effects of other relevant variables are controlled (Parasuraman et al, 2007:73).

**TABLE 4.2 A COMPARISON OF BASIC RESEARCH DESIGNS**

A Comparison of Basic Research Designs			
	Exploratory	Descriptive	Causal

Objective	Discover ideas and insights	Describe market characteristics or functions	Determine cause and effect relationships
Characteristics	Flexible Versatile Often the front end of total research design	Market by the prior formulation of specific hypotheses Preplanned and structured design	Manipulation of one or more independent variables Control of other mediating variables
Methods	Expert surveys Pilot surveys Secondary data Qualitative research	Secondary data Surveys Panels Observational and other data	Experiments

Source: Adapted from Malhotra (2004:76)

Table 4.2 illustrates the differences between exploratory research, descriptive research and causal research. For the purpose of this study, the following sections describe how the three research designs are used in the study:

- ✓ Exploratory research helps the study define the basic terms and concepts, such as the nature of service quality, and the service quality gap model. It may be used to gain much-needed background information about the research topic.
- ✓ Descriptive research is focused on describing the factors that influence customer expectations and management perceptions on the service quality of the selected Chinese fine-dining restaurants.

- ✓ Causal research determines the relationship between the factors that influence customer expectations and management perceptions.

### **4.3 QUALITATIVE AND QUANTITATIVE RESEARCH**

Cooper and Schindler (2006:214-216) define qualitative research and quantitative research as follows:

- Qualitative research: interpretive techniques that seek to describe, decode, translate, and otherwise come to terms with the meaning, not the frequency, of certain phenomena.
- Quantitative research: the precise count of some behaviour, knowledge, opinion, or attitude.

Qualitative techniques are used at both data-collection and data-analysis stages of a research project. In data-collection methods, focus groups, individual in-depth interviews, case studies, ethnography, grounded theory, action research and observation are included. In data-analysis methods, the researcher uses content analysis of written or recorded materials drawn from personal expressions by the respondents, behavioral observation, and debriefing of observers, as well as the study of artifacts and trace evidence from the physical environment (Cooper and Schindler, 2006:214).

Qualitative research draws data from a variety of sources, including the following (Cooper and Schindler, 2006:214)

- People (individuals or groups)
- Organizations or institutions
- Texts (published, including virtual ones)
- Setting and environments (visual/sensory and virtual material)
- Objects, artifacts, media products (textual/visual/sensory and virtual material)
- Events and happenings (textual/visual/sensory and virtual material)

The purpose of quantitative research is to gather data which provides a detailed description of events, situations and interaction between people and things, providing depth and detail. In marketing research, quantitative research basically measures consumer behaviour, knowledge, opinions, or attitudes, which relates to 'how much?', 'how often?', 'how many?', 'when?' and 'who?'.

Besides the purpose of the research, this process sets up several key distinctions between qualitative research and quantitative research, elaborated in Table 4.3.

#### **TABLE 4.3 QUALITATIVE VERSUS QUANTITATIVE RESEARCH**



	Qualitative	Quantitative
Focus of Research	Understand and interpret	Describe, explain, and predict
Research Involvement	High-researcher is participant or catalyst	Limited; controlled to prevent bias
Research Purpose	<ul style="list-style-type: none"> <li>● In-depth understanding</li> <li>● theory building</li> </ul>	Description or prediction; building and testing theory
Sample Size	Small	Large
Research Design	<ul style="list-style-type: none"> <li>● May evolve or adjust during the course of the project</li> <li>● Often uses multiple methodologies simultaneously or sequentially</li> <li>● Consistency is not expected</li> <li>● Involves longitudinal approach</li> </ul>	<ul style="list-style-type: none"> <li>● Determined before commencing the project</li> <li>● Uses single or mixed method</li> <li>● Consistency is critical</li> <li>● Involves either a cross-sectional or a longitudinal approach</li> </ul>
Participant Preparation	Pre-tasking is common	No preparation needed to avoid biasing the participant
Data Type and Preparation	<ul style="list-style-type: none"> <li>● Verbal or pictorial descriptions</li> <li>● Reduced to verbal codes(sometimes with computer assistance)</li> </ul>	<ul style="list-style-type: none"> <li>● Verbal descriptions</li> <li>● Reduced to numerical codes for computerized analysis</li> </ul>
Data Analysis	<ul style="list-style-type: none"> <li>● Human analysis follows computer or human coding</li> <li>● primarily nonquantitative</li> <li>● Forces researcher to see the contextual framework of the phenomenon being measured-distinction between facts and judgments less clear</li> <li>● Always ongoing during the project</li> </ul>	<ul style="list-style-type: none"> <li>● Computerized analysis-statistical and mathematical methods dominate</li> <li>● Analysis may be ongoing during the project</li> <li>● Maintains clear distinction between facts and judgements</li> </ul>
Insights and Meaning	<ul style="list-style-type: none"> <li>● Deeper level of understanding is the norm determined by type and quantity of free-response questions</li> <li>● Researcher participation in data collection allows insights to form and be tested during the process</li> </ul>	<ul style="list-style-type: none"> <li>● Limited by the opportunity to probe respondents and the quality of the original data- collection instrument</li> <li>● Insights follow data-collection and data-entry, with limited ability to re-interview participants</li> </ul>
Research Sponsor	May participate by observing research in real time or via taped	Rarely has either direct or indirect contact with

Involvement	interviews	participants
Feedback Turnaround	<ul style="list-style-type: none"> <li>● Smaller sample sizes make data-collection faster for shorter possible turnaround.</li> <li>● Insights are developed as the research progresses, shortening data- analysis</li> </ul>	<ul style="list-style-type: none"> <li>● Larger sample sizes lengthen period of data-collection</li> <li>● Internet methodologies shorten turnaround but are inappropriate for many studies</li> <li>● Insight development follows data- collection and entry, lengthening research process</li> <li>● Interviewing via software permits some tallying of responses as data-collection progresses</li> </ul>
Data Security	More absolute, given use of restricted access facilities and smaller sample sizes	<ul style="list-style-type: none"> <li>● Act of research in progress is often known by competitors;</li> <li>● Insights may be gleaned by competitors for some visible, field-based studies</li> </ul>

Source: Adapted from (Cooper and Schindler, 2006:215)

In the current study, both qualitative and quantitative research methods were used, as explained in the following section.

## **4.4 DATA-COLLECTION**

For the purpose of the study, both qualitative and quantitative research methods are going to be explained within the context of a literature review. In-depth interviews and self-administered surveys are conducted in the current study. The following sections are going to explain these two methods in detail.

### **4.4.1 In-depth interview**

The in-depth interview (depth interview) is another method of obtaining qualitative data. Depth interview is “an unstructured, direct, personal interview in which a single respondent is probed by a highly skilled interviewer to uncover underlying motivations, beliefs, attitudes, and feelings on a topic (Malhotra, 2004:147).” Aaker et al (1998:189) state that in-depth interviews are interviews that are conducted face to face with the respondent, in which the subject matter of the interview is explored in detail. Depth interviews are useful in the following contexts (Malhotra, 2004:147):

- Detailed probing of the respondent (automobile purchase).
- Discussion of confidential, sensitive, or embarrassing topics (personal finances, loose dentures).
- Situations where strong social norms exist and the respondent may be easily swayed by group response (attitude of college students towards sports).
- Detailed understanding of complicated behaviour (department store shopping).

- Interviews with competitors, who are unlikely to reveal the information in a group setting (travel agents' perceptions of airline package travel programmes).
- Situations where the product-consumption experience is sensory in nature, affecting mood states and emotions (perfumes, bath soap).

The advantages of using depth interviews are identified as following (Ferreira, 2005:8):

- More varied and deeper information is gleaned than with structured research.
- It is possible to ascribe an answer to a particular individual.
- A good relationship exists between the interviewer and the respondent if very sensitive data is willingly divulged.
- Peer pressure to conform to social or other norms is overcome.

Depth interviews suffer from many of the disadvantages of focus groups and often lead to a greater one. It is expensive and difficult for skilled interviewers to conduct depth interviews. The major problem is that there is no structured questionnaire to work from, leading to the results being susceptible to error. The quality and completeness of the results will all depend on the interviewer's skills. Respondents are usually chosen in a non-probability way, creating the opportunity for selection error (Malhotra, 2005:150; Ferreira, 2005:9).

Depth interviews were conducted with five Chinese fine-dining restaurant owners to determine their opinions on what elements are important to the service quality of Chinese fine-dining restaurant to working adults. The subsequent direction of the interview was determined by the respondent's initial reply; the first question is usually an open-ended question in order to let the respondent talk freely about his/her opinions.

#### **4.4.2 Self-administered survey**

A self-administered survey is a data-collection technique in which respondents are left on their own to complete questionnaires without the presence of a trained interviewer (Cant 2003:87). The advantages are low-cost per survey and less interviewer-bias (Hair et al, 2003:265). Below, three types of self-administered surveys will be discussed: direct mail, mail panel and drop-off (Hair et al, 2003:265).

- **Direct mail survey:** a self-administered questionnaire that is delivered to selected respondents and returned to the researcher by mail. The advantage of this type of survey is that it is cheap to implement and it also can reach even people who are hard to interview.
- **Mail panel survey:** a questionnaire sent to a group of individuals who have agreed in advance to participate.
- **Drop-off survey:** a self-administered questionnaire that a representative of the researcher hand-delivers to selected respondents; the completed

surveys are returned by mail or picked up by the representative. The advantage of this type of survey is the availability of a person who can answer general questions, screen potential respondents, and stimulate interest in completing the questionnaire.

A drop-off survey was chosen to collect data for the current research. Drop-off surveys can motivate the customers to complete the questionnaire because they have met the researchers or their representatives face-to-face.

#### **4.5 QUESTIONNAIRE DESIGN**

Many researchers believe that designing questionnaires is an art rather than a science, where art relates to the researcher's creative use of words in asking the right questions and developing the related scale points. A questionnaire (also called a survey instrument) is "a formalized framework consisting of a set of questions and scales designed to generate primary raw data (Hair et al, 2003:449)."

A questionnaire is an important tool in conducting surveys and serves five key functions.

- It translates the research objectives into specific questions.
- It standardizes questions so respondents can respond to identical stimuli.
- It fosters co-operation and keeps respondents motivated.

- It serves as permanent records of the research.
- It speeds up the process of data-analysis (Burns & Bush 2006:300).

For the purpose of the study, a self-administered questionnaire was used to obtain primary data from NMMU international students. The following sections will explain questionnaire structure, question format and pre-testing.

#### **4.5.1 Questionnaire structure**

Theoretically, a questionnaire consists of several components—words, questions, formats, and hypotheses—that are integrated into a recognizable, hierarchical layer system (Hair et al, 2003:449):

- Words: the words used in creating the questions and scales for collecting raw data from respondents.
- Questions: questions used in a particular scale measurement to collect raw data from the respondent. Question reliability, question validity, and question bias should have been addressed during the scale measurement design activities.
- Questionnaire format: developing the integrated layout of sets of questions or scale measurements.
- Hypothesis: the notion that questionnaires are designed for collecting meaningful raw data to test a hypothesis (Hair et al, 2003:449-452).

For the purpose of the study, two questionnaires are used in this study; one directed at working adults (See Annexure A) and the other directed at Chinese fine-dining restaurant owners (See Annexure B). Both questionnaires include a covering letter that clearly introduced the researcher, stated the purpose of the study and assured that the questionnaire would be treated as confidential. The rest of the questionnaire was divided into two sections.

- Annexure A

Section A: measurement of working adults' expectations of service-quality in Chinese fine-dining restaurants.

Section B: the working adults' demographic information.

- Annexure B

Section A: measurement of Chinese fine-dining restaurant owners' perceptions of service-quality.

Section B: the Chinese fine-dining restaurant owners' demographic information.

#### **4.5.2 The type of question**

There are basically two types of questions: closed questions and open-ended questions (Parasuraman et al, 2007:283).



#### **4.5.2.1 Closed questions**

Closed questions: respondent is given various answers and must choose the one that most closely matches his/her feeling (Ferreira, 2005:40). These are the advantages of closed questions, which are identified by Ferreira (2005:40):

- It is possible to answer quickly, with little effort, so questions are well accepted by respondents as well as interviewers.
- Tabulation and data-reduction are simplified.
- The alternative answers give an idea to the respondent as to what is expected.
- The interviewer cannot introduce bias in the recording as it simply entails making a cross in the applicable block.

A closed question can be classified into dichotomous questions, multiple-choice questions, checklists/grids questions, ranked questions, scaled questions.

##### 1) Dichotomous questions

A dichotomous question is a fixed-alternative question but one in which there is only one alternative (Churchill and Iacobucci, 2005:246). For example:

Gender	1. Male	2. Female
--------	---------	-----------

2) Multiple-choice questions

Multiple-choice questions: these are extensions of dichotomous questions.

Respondents are able to choose from a range of possible answers, which are designed to reflect different opinions or variations (Chisnall, 2005:147). For example:

How long have you been managing a Chinese fine-dining restaurant?

- a. 1-2 years
- b. 3-5 years
- c. Over 5 years

3) Checklist/grids questions

Checklists are tables where the respondent is asked to complete a table (Ferreira, 2005:41). For example:

Which of the following food groups did you eat yesterday?

	Soup	Dumplings	Noodles	Different kinds of dishes
Breakfast				
Lunch				

Supper Bed time
--------------------

#### 4) Ranked questions

Ranked questions ask the respondent to place a list of products or attributes etc in order of importance or preference, etc (Ferreira, 2005:42). For example:

Rank the following attributes in order of importance when you purchase a service in a Chinese fine-dining restaurant, marking 1 as the most important and 5 as the least important:
---

Quality of food
-----------------

Cleanliness of restaurants
----------------------------

Efficiency of service
-----------------------

Friendliness and courtesy of waitrons
---------------------------------------

Security and safety of restaurants
------------------------------------

#### 5) Scaled questions

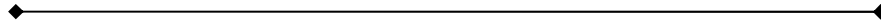
A scaled question is one where the multiple-choice options provided give some idea of a progression in size or order of something (Ferreira, 2005:42). There are four types of scale questions.

A Graphic rating scales have a vertical or horizontal continuum and the respondent is asked to mark his response from the whole range e.g.

Chinese fine-dining restaurant Y has:

Very good service

very poor service



Semantic differential questions have a series of pairs of opposite descriptions with a seven-point scale in between e.g.

Chinese fine-dining restaurant

Fresh

Not fresh



Expensive

Inexpensive



The Stapel scale is similar to the Likert scale except that the pairs of descriptions are replaced with a single phrase and there are ten scale positions e.g.

Chinese fine-dining restaurant

+5

+5

+5

+4

+4

+4

+3	+3	+3
+2	+2	+2
+1	+1	+1
Helpful waitrons	Low prices	Big enough portions
-1	-1	-1
-2	-2	-2
-3	-3	-3
-4	-4	-4
-5	-5	-5

Likert scales, a common type of rating scale, requires the respondents to indicate a degree of agreement or disagreement with a variety of statements about the stimulus objects (Aaker et al 2004:293) e.g.

All the Chinese fine-dining restaurants have high service quality in Port Elizabeth. Please indicate the answer you choose.

STRONGLY DISAGREE	DISAGREE	NEUTRAL	AGREE	STRONGLY AGREE
----------------------	----------	---------	-------	-------------------

### Conclusion

In the current study, dichotomous questions, multiple-choice questions and Likert scales questions are used. 26 Likert five-point scales are conducted in Section A in both Annexure A and Annexure B, which describe the most important aspects of service quality in the selected elements at Chinese fine-dining restaurants. Dichotomous questions and multiple-choice questions are used to explain respondents' demographic information in section B. Based on the conceptual model, the items in Sections A and B of the questionnaire could be subdivided into five factors, as shown in Table 4.4

**TABLE 4.4**

### **THE PROPOSED FACTOR AND ITEM STRUCTURE**

FACTOR	SERVICE EXPECTATION ITEM	MANAGEMENT PERCEPTION ITEM
Tangibles	A1, A2, A3, A4, A5	B1, B2, B3, B4, B5
Reliabilities	A6, A7, A7, A8, A9, A10,	B6, B7, B7, B8, B9, B10,

	A11	B11
Responsiveness	A12, A13, A14, A15, A16	B12, B13, A14, B15, B16
Assurance	A17, A18, A19, A20, A21, A22	B17, B18, B19, B20, B21, B22
Empathy	A23, A24, A25, A26	B23, B24, B25, B26

Source: Own construction

#### 4.5.2.2 Open-ended questions

An open-ended question, known also as 'free response', calls for a response of more than a few words. Respondents are free to reply to open-ended questions in their own words rather than being limited to choosing from a set of alternatives (Churchill and Iacobucci, 2005:242). Chisnall (2005:145), Churchill and Iacobucci (2005:243) report that it is often advantageous to start a survey questionnaire with an open question in order to build up goodwill with the respondent.

These are the advantages of open-ended questions, which are identified by Ferreira (2005:47):

- Easier to set than closed questions
- Result in a wide variety of answers
- Used when all possible answers to a question are not known as is the case in exploratory research
- Compel the respondent to think rather than marking the first in the list in a

closed question

- Used when the list of possible answers is very large
- Tend to be the respondent's true feeling as they do not suggest answers
- Do not frustrate the respondent as he is able to state exactly what he thinks

In the current study, open-ended questions are not used in this study.

#### **4.5.2.3 Pre-testing**

The objective of the questionnaire pretest is to identify and correct these deficiencies. Generally, the first draft of questionnaires tends to be too long, often lacks important variables, and is subject to all the hazards of ambiguous, ill-defined, loaded, or double-barreled questions (Aaker et al, 1998:323). Pre-testing implies administering a questionnaire to a limited number of potential respondents and other individuals capable of pointing out design flaws (Parasuraman et al, 2007:303). The respondents in the pretest should be similar to those who will participate in the actual survey in terms of background characteristics, familiarity with the topic, and attitudes and behaviours of interest (Malhotra 2004:301; Parasuraman et al 2004:334).

Fifteen respondents (one Chinese fine-dining restaurant owner and fourteen working adults), who were representative of the different groups of the study,



were selected to participate in the pre-testing based on a convenience basis. According to the feedback, a few minor adjustments were made before the questionnaire was distributed to the sample.

#### **4.6 SAMPLE DESIGN**

Most marketing research projects use sampling, the first step in the process of making inferences about a total group of units known as a population. According to Parasuraman et al (2007:333), sampling is the selection of a fraction of the total number of units of interest to decision-makers. For the purpose of the study, the target population was divided into two groups, namely Chinese fine-dining restaurant owners and South African working adults.

Convenience sampling was employed in this study. In convenience sampling, the researcher's convenience forms the basis for selecting a sample of units (Parasuraman et al, 2007:343). Chinese fine-dining restaurants are the places the researcher finds the most convenient places to generate the convenience-sample.

In the case of Chinese fine-dining restaurants, five names of Chinese restaurants located in Port Elizabeth were selected from the yellow pages of the local telephone directory: Ligong, Bamboo, Golden Coast, Dragon and Golden Chopstick Chinese fine-dining restaurants. One hundred respondents for the first questionnaire (for the South African working adults) were selected from these Chinese fine-dining restaurants. Five Chinese fine-dining restaurant owners were chosen in a managerial position who had spent at least a year in managing a Chinese fine-dining restaurant.

#### **4.7 VALIDITY AND RELIABILITY**

It is important to ensure that the criteria for a well-designed research project are imbued in the overall design framework of this study. Two basic sets of criteria are normally used to evaluate a well-designed research project, which are validity and reliability. It is important to demonstrate how this research project accommodates the above-mentioned criteria.

According to Chisnall (2005:40), validity refers to how well a specific research method measures what it claims to measure. Three main types of validity are: (1) internal validity, which refers to the measures related to a specific survey rather than to a generalization of the findings; (2) face validity, which refers to the results from a specific survey that appear generally plausible in the lack of

supporting evidence; (3) external validity which, as distinct from internal validity, refers to the degree to which specific research results could be generalized vis a vis other research methods.

For a research measure to be valid, it must also be reliable. Blumberg, Cooper and Schindler (2005:385) state that reliability means many things to many people, but in most contexts the notion of consistency emerges. According to McDaniel and Gates (2005:265), the reliability of a measure is the extent to which a measure is free from random error and offers consistent measurement across time and the various items in the instrument.

There are three basic methods for establishing reliability, namely test-retest, split-half, and internal consistency. Test-retest is done by calculating the correlation between the results of the replicated and original tests. Split-half refers to comparing measurements on one-half of the test with those noted on the other half, the result being expressed as a coefficient of correlation (Chisnall, 2005:234). Internal consistency focuses on establishing which items are homogenous and measure the same underlying construct (Aaker et al 2007:308).

#### **4.8 DATA ANALYSIS**

It is important to place the data into some order or format in order to make them suitable for analysis. The data-preparation process begins with questionnaire-checking, editing, coding, transcribing, data-cleaning, statistically adjusting the data and selecting a data-analysis strategy (Malhotra, 2004:403-414).

- Questionnaire-checking: this involves a check of all questionnaires for completeness and interviewing quality.
- Editing: screen questionnaires must identify illegible, incomplete, inconsistent, or ambiguous responses.
- Coding: this represents a specific response to a specific questionnaire along with the data record and column position that code will occupy.
- Transcribing: this involves transferring the coded data from the questionnaires or coding sheet on disks or magnetic tapes or directly into computers by key-punching.
- Data-cleaning: consistency checks of treatment of non- responses.
- Statistically adjusting the data: the process of weighting, variable respecification, and scale transformations.
- Selecting a data-analysis strategy, based on the earlier steps of marketing research progress, known characteristics of the data, properties of statistical techniques, and the background and philosophy of the research.

Data-analysis began by obtaining a frequency-distribution and descriptive statistics for each variable. They offer a simple and quick look at the data.

According to Malhotra (2005:426), frequency-distribution is a mathematical distribution whose objective is to obtain a count of the number of responses associated with different values of one variable and to express these counts in percentage terms. A frequency-distribution is a convenient way of looking at different values of a variable. A frequency table is easy to read and provides basic information, but sometimes this information may be too detailed and the researcher must summarize it by the use of descriptive statistics. Generally, measuring of location (mean, mode and median), measures of variability (range, interquartile range, standard deviation, and coefficient of variation), and measures of shape (skewness and kurtosis) are used to do statistics associated with frequency. A frequency-distribution is used for describing one variable at a time; a cross-tabulation describes two or three more variables.

For the purpose of the study, a descriptive statistics method will be conducted in the data-analysis, which includes location (e.g. mean, mode, median), skewness and standard deviation, and cross-tabulation.

#### **4.9 SUMMARY**

Marketing research comprises one of the most important and fascinating facets of marketing. In this chapter, the researcher provided several research methods to illustrate the data collected from respondents. The marketing research

process and eight steps that were involved in conducting research and discussion of data-collecting methods and data-analysis methods are discussed.

For data-collection methods, a self-administrated survey will be used. Structured questions, including dichotomous, multiple-choice, and Likert-scale questions, were used. Reliability and validity, and descriptive analysis were used for data-analysis.

## **CHAPTER 5**

### **ANALYSIS AND INTERPRETATION OF THE RESULTS**

#### **5.1 INTRODUCTION**

Chapter 4 addressed the research objective, which determined the various techniques for the research methodologies and data collection methods and data-analysis methods. This chapter is going to report the findings of the empirical study. It mainly contains demographic information analysis (section A),

which was obtained from South African working adults and Chinese restaurant owners. It followed with a report on findings related to Section B of the questionnaires which focused on identifying the importance and perceived importance of elements reflecting service evidence.

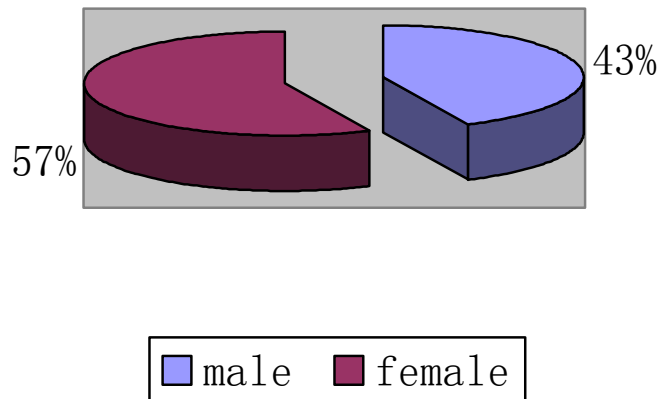
## **5.2 DEMOGRAPHIC DETAILS OF RESPONDENTS**

Demographic information generally describes the respondents with respect to gender, age, race and income. Based on the research objective, gender, age, race, and times per year of visiting Chinese fine-dining restaurants are identified with the South African working adults. Gender, the years of managing a Chinese fine-dining restaurant and the number of visit per month by customers are introduced in this study.

### **5.2.1 Gender of South African working adults**

#### **FIGURE 5.1 GENDER OF SOUTH AFRICAN WORKING ADULTS**

Figure 5.1 Gender of South African working adults



Source: Results from respondents' analysis by gender

Figure 5.1 shows that 43 per cent of the respondents are male and 57 per cent of respondents are female. The findings are consistent with the average per cent of male and female visitors to the Chinese fine-dining restaurants.

### 5.2.2 Age of South African working adults

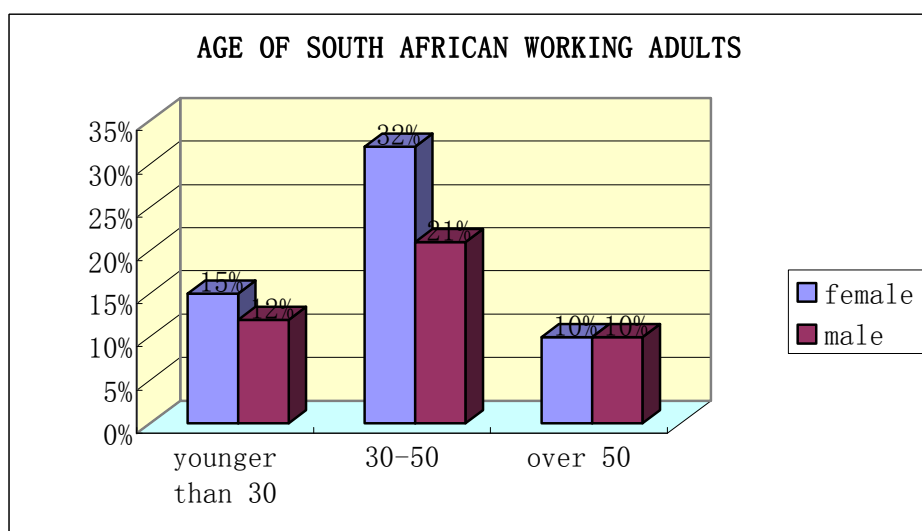
TABLE 5.2 AGE OF SOUTH AFRICAN WORKING ADULTS



GENDER	YOUNGER THAN 30	30—50	OVER 50	TOTAL
FEMALE	15%	32%	10%	57%
MALE	12%	21%	10%	43%
TOTAL	27%	53%	20%	100%

Source: Results from the respondents' analysis by age

**FIGURE 5.2 AGE OF SOUTH AFRICAN WORKING ADULTS**



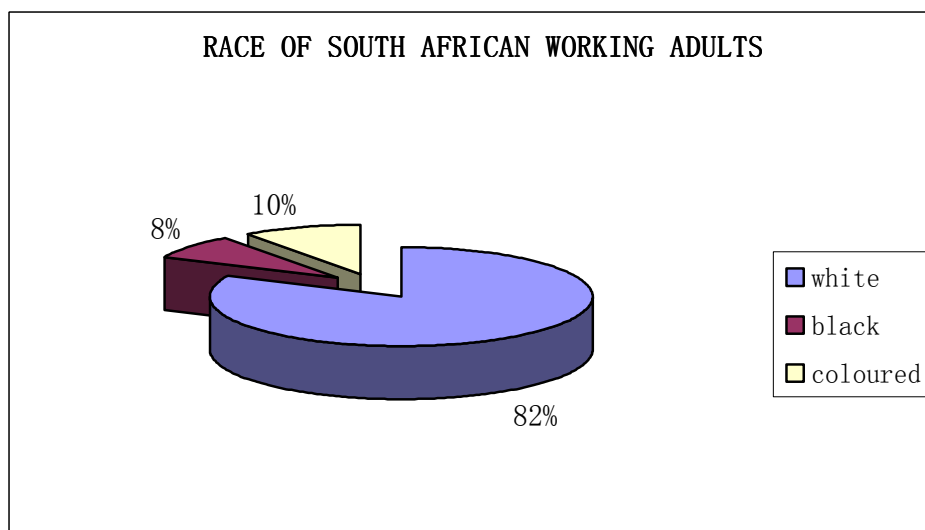
Source: Results from the respondents' analysis by age

Table 5.2 and figure 5.2 clearly show that 27 per cent of respondents are younger than 30 years old, 53 per cent of the respondents are 30—50 years old and 20 per cent of respondents are over 50 years old. In each level of age group, figure 5.2 also shows the female and male percentage. In both the

younger than 30 and 30—50 years old age groups, the female customers outnumber the male customers of Chinese fine-dining restaurants. The findings are consistent with the fact that in the age group from 30 to 50 years old, customers have an advantage over the older age group with respect to eating at Chinese fine-dining restaurants, because they are earning money and can better afford to eat at Chinese fine-dining restaurants.

### 5.2.3 Race of the South African working adults

**FIGURE 5.3 RACE OF SOUTH AFRICAN WORKING ADULTS**



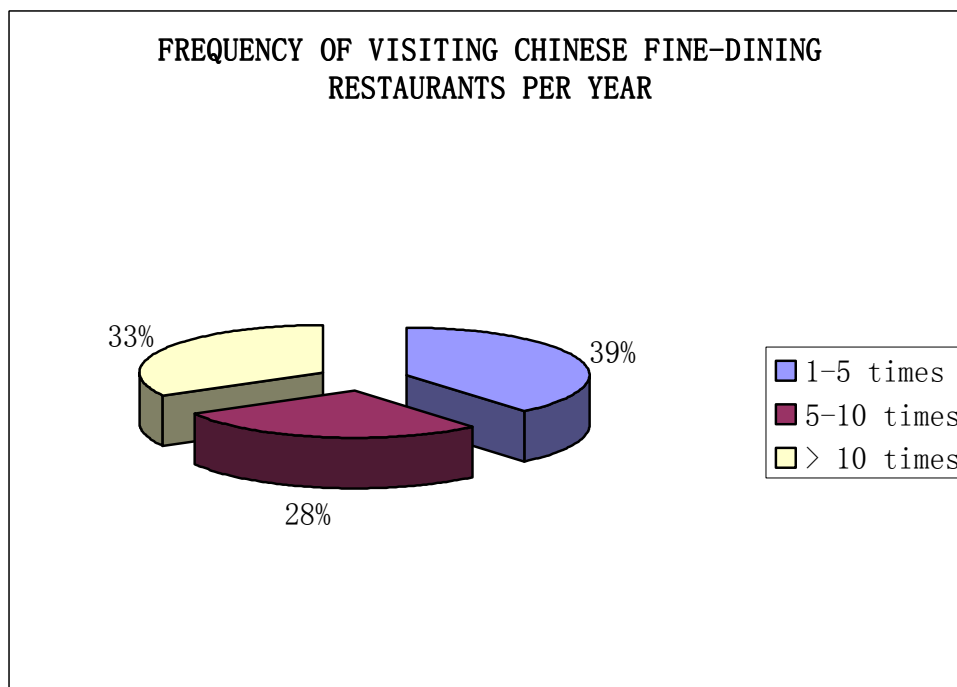
Source: Results obtained from respondents

The findings show that 82 per cent of the respondents are white people, 8 per cent of respondents are black people, and 10 percent of respondents are coloured people. It indicates that on the average the large majority of people who visit Chinese fine-dining restaurants are white.

#### 5.2.4 Frequency of visiting Chinese fine-dining restaurant per year

FIGURE 5.4

#### FREQUENCY OF VISITING CHINESE FINE-DINING RESTAURANTS PER YEAR



Source: Results from the respondents' frequency of visiting Chinese fine-dining restaurants.

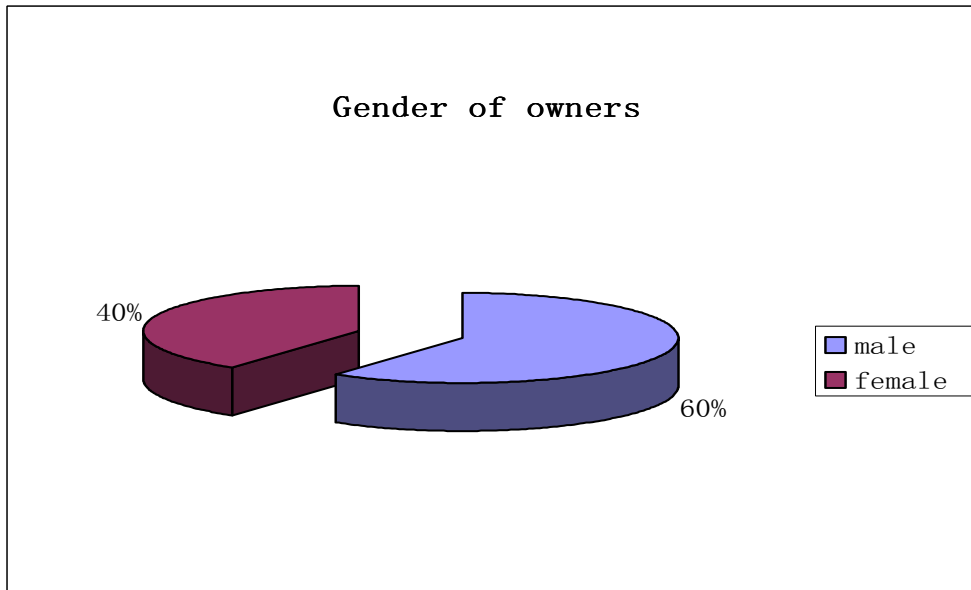
Figure 5.4 indicates that 39 per cent of the respondents visit the Chinese fine-dining restaurants 1 to 5 times per year. 28 percent of the respondents visit Chinese fine-dining restaurants 5 to 10 times per year. 33 percent of respondents visit Chinese fine-dining restaurants over 10 times per year. The findings show that one third of the respondents visit the Chinese fine-dining restaurants over 10 times per year.

### 5.2.5 Gender of Chinese fine-dining restaurant owners.

**TABLE 5.5 Gender of owners**

Gender	Female	male
	40%	60%

**FIGURE 5.5 Gender of owners**



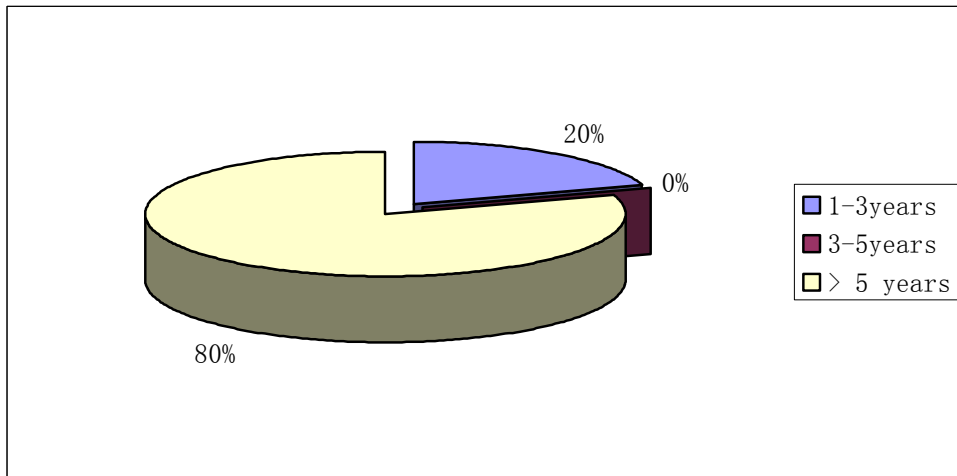
Sixty per cent of the respondents are male Chinese owners. Forty per cent of the respondents are female Chinese owners.

### 5.2.6 Management period

**TABLE 5.6 MANAGEMENT PERIOD**

years	1-3 years	3-5 years	Over 5 years
Percentage	20%	0	80%

**FIGURE 5.6 MANAGEMENT PERIOD**



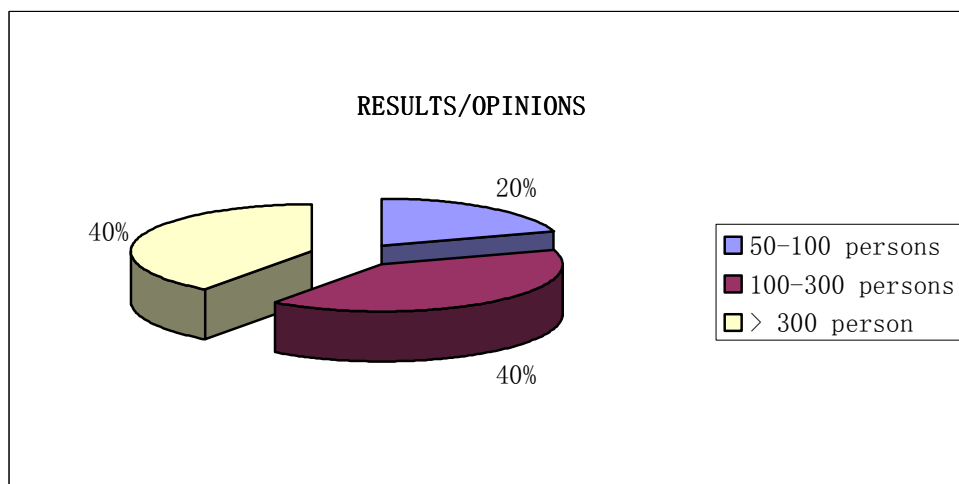
According to figure 5.6 and table 5.6, eighty per cent of the respondents have management experience over five years; the other twenty percent of the respondents have 1-3 years managing experience.

### 5.2.7 The number of customers entertained every month

**TABLE 5.7 THE NUMBER OF CUSTOMERS ENTERTAINED PER MONTH**

NUMBERS	50-100 PERSONS	100-300 PERSONS	Over 300 PERSONS
Percentage	20%	40%	40%

**FIGURE 5.7 THE NUMBER OF CUSTOMERS ENTERTAINED PER MONTH**



Forty per cent of the respondents have between 100-300 customers and over 40 per cent have over 300 customers every month. Twenty per cent of respondents have 50-100 customers in a month.

### **5.2.8 Restaurant owner opinions**

**TABLE 5.8 RESTAURANT OWNER OPINIONS**

4. Do you think that male and female working adults have different expectations of a Chinese fine-dining restaurant?  If yes, please list these differences.	a. yes	1  20%
	b. no	4  80%
5. Do you think that the age of the customer influences the expectations of a working adult?  If yes, please explain	a. yes	2  40%
	b. no	3  60%

In Question 4, eighty per cent of the respondents indicate there is no difference between male and female with respect to their expectations of a Chinese fine-dining restaurant. Only one respondent indicates that female customers always give different opinions about the service quality. In Question 5, two respondents indicate that the age of the customer influences the expectations of a working adult. Older people expect more individual attention. Younger people think differently. The remaining three respondents indicate that the age of the respondents does not influence the expectations of the customers.

**5.3 MAIN FACTORS MEASURING CUSTOMER EXPECTATION**

For the purpose of the study, five factors are discussed which are used to identify what the customer wants in a Chinese fine-dining restaurant, namely



tangibles, reliability, responsiveness, assurance and empathy. Based on the data preparation, each of the factors will be analysed in the following sections.

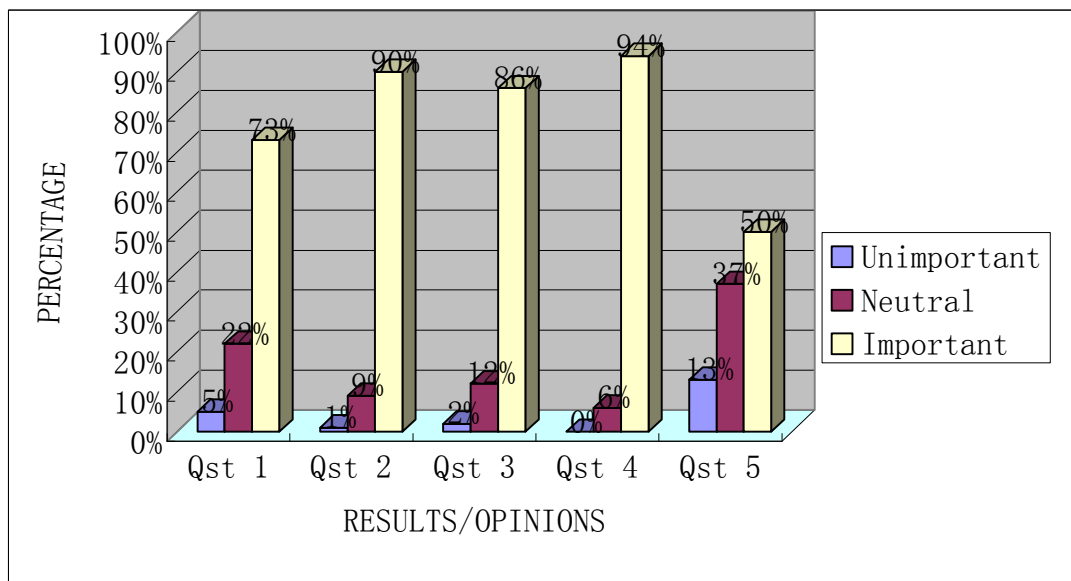
### 5.3.1 Tangibles in customer expectation

**TABLE 5.9 TANGIBLES IN CUSTOMER EXPECTATION**

Statement	Totally unimportant	Unimportant	Neutral	Important	Extremely important
1. Décor, furnishing of restaurants	2 2%	3 3%	22 22%	37 37%	36 36%
	5%		22%	73%	
2. Cleanliness of restaurants	0 0	1 1%	9 9%	23 23%	67 67%
	1%		9%	90%	
3. Comfortable, casual environment	1 1%	1 1%	12 12%	43 43%	43 43%
	2%		12%	86%	
4. Neat appearance	0	0	6	31	63

of waitrons	0	0	6%	31%	63%
	0		6%	94%	
5.Music/entertainm ent facilities	6	7	37	26	24
	6%	7%	37%	26%	24%
	13%		37%	50%	

**FIGURE 5.9 TANGIBLES IN CUSTOMER EXPECTATION**



Tangibles include the appearance of physical facilities, equipment, personnel, and communication materials. For the purpose of the study, the majority of the respondents are of the opinion that tangibles are important for a Chinese fine-dining restaurant. Half of the respondents indicate that music/entertainment facilities are important. Almost three-quarters of respondents indicate that the furnishing, cleanliness, and environment of the restaurant are important for a Chinese fine-dining restaurant. Ninety-four per cent of the respondents state that the neat appearance of waitrons is important for the service quality of a Chinese fine-dining restaurant.

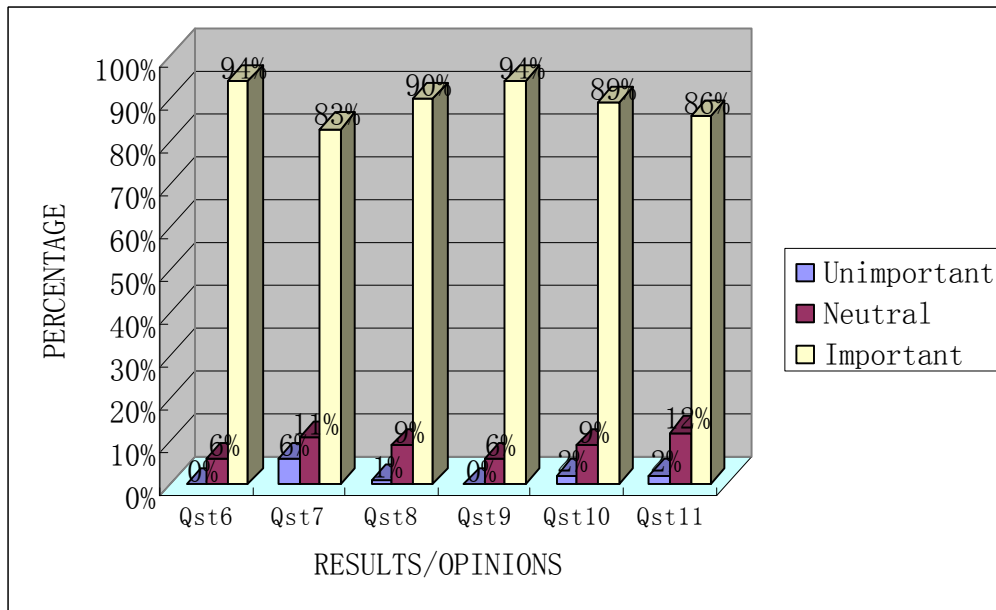
### 5.3.2 Reliability in customer expectation

**TABLE 5.10 RELIABILITY IN CUSTOMER EXPECTATION**

Statement	Totally unimportant	Unimportant	Neutral	Important	Extremely important
6. Quality of food	0	0	6	16	78
	0	0	6%	16%	78%
	0%		6%	94%	
7. Variety of menu choices	1	5	11	38	45
	1%	5%	11%	38%	45%
	6%		11%	83%	

8. Pleasing appearance of the food	0 0	1 1%	9 9%	34 34%	56 56%
	1%		9%	90%	
9. Large enough portions	0 0	0 0	18 18%	31 31%	51 51%
	0		6%	94%	
10. Freshness of the food	1 1%	1 1%	9 9%	12 12%	77 77%
	2%		9%	89%	
11. Appropriate temperature of the food	0 0	2 2%	12 12%	27 27%	59 59%
	2%		12%	86%	

**FIGURE 5.10 RELIABILITY IN CUSTOMER EXPECTATION**



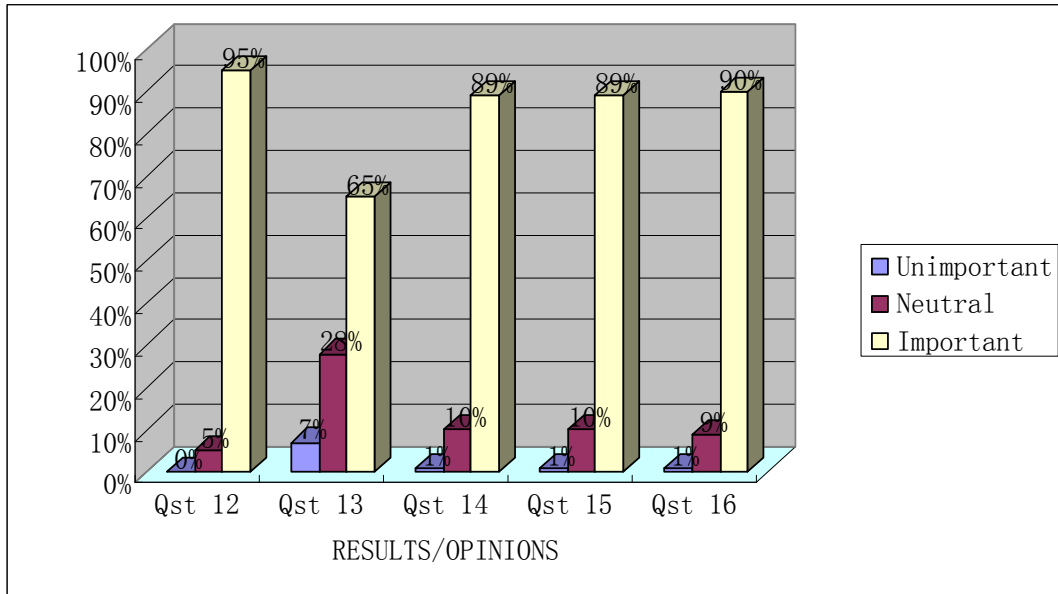
Reliability implies the ability to perform the promised service dependably and accurately. Most of the respondents indicate that reliability is important in measuring service quality of the Chinese fine-dining restaurant. The majority of the respondents indicate that quality of food, pleasing appearance of the food, freshness of the food and appropriate temperature of the food are important in service quality of a Chinese fine-dining restaurant. Eighty- three per cent of the respondents indicate that the variety of menu choices is important in measuring service quality of a Chinese fine-dining restaurant.

### 5.3.3 Responsiveness in customer expectation

**TABLE 5.11 RESPONSIVENESS IN CUSTOMER EXPECTATION**

Statement	Totally unimportant	Unimportant	Neutral	Important	Extremely important
12. Efficiency of service	0	0	5	33	62
	0	0	5%	33%	62%
	0%		5%	95%	
13. Hours of operation.	1	6	28	32	33
	1%	6%	28%	32%	33%
	7%		28%	65%	
14. Waitrons are responsive and attractive	0	1	10	27	62
	0	1%	10%	27%	62%
	1%		10%	89%	
15. Provide good services	0	1	10	26	63
	0	1%	10%	26%	63%
	1%		10%	89%	
16. Efficient in solving customers' problems	0	1	9	26	64
	0	1%	9%	26%	64%
	1%		9%	90%	

**FIGURE 5.11 RESPONSIVENESS IN CUSTOMER EXPECTATION**



Responsiveness implies the willingness to help customers and provide prompt service. According to table 5.11 and figure 5.11, more than half of the respondents indicate that efficiency of service and hours of operation are important in the service quality of Chinese fine-dining restaurants. Excellent results were obtained in terms of responsive waitrons, good service, and efficiency of solving customers' problems.

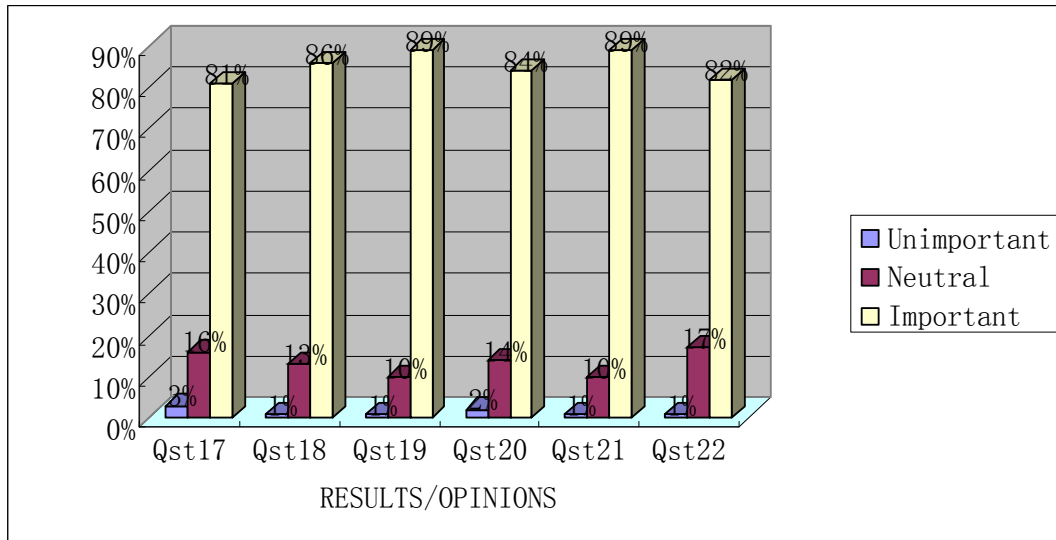
### 5.3.4 Assurance in customer expectation

**TABLE 5.12 ASSURANCE IN CUSTOMER EXPECTATION.**

Statement	Totally unimportant	Unimportant	Neutral	Important	Extremely important
17. Confidence of waitrons.	0	3	16	33	48
	0	3%	16%	33%	48%
	3%		16%	81%	
18. Security and safety of restaurants	0	1	13	37	49
	0	1%	13%	37%	49%
	1%		13%	86%	
19. Friendliness and courtesy of waitrons	0	1	10	30	59
	0	1%	10%	30%	59%
	1%		10%	89%	
20. Waitron communication skills	0	2	14	31	53
	0	2%	14%	31%	53%
	2%		14%	84%	
21. Knowledgeability of waitrons	0	1	10	31	58
	0	1%	10%	31%	58%
	1%		10%	89%	
22. Sympathetic in handling complaints	0	1	17	32	50
	0	1%	17%	32%	50%
	1%		17%	82%	



**FIGURE 5.12 ASSURANCE IN CUSTOMER EXPECTATION**



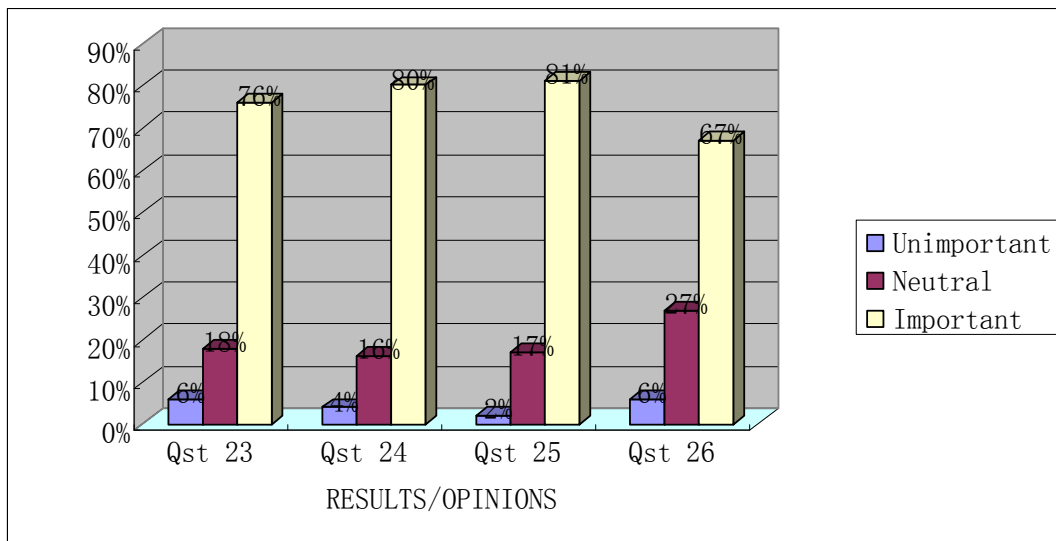
Assurance is used effectively, as trust and confidence in the service provider are particularly critical. More than eighty per cent of respondents indicate that assurance is important in measuring the service quality of Chinese fine-dining restaurants. The majority of respondents indicate that confidence of waitrons, courtesy of waitrons, knowledgeability of waitrons, communication skills of waitrons, and their sympathetic handling of complaints are important aspects of service quality in Chinese fine-dining restaurants.

### 5.3.5 Empathy in customer expectation

**TABLE 5.13 EMPATHY IN CUSTOMER EXPECTATION**

Statement	Totally unimportant	Unimportant	Neutral	Important	Extremely important
23. The restaurants give customers individual attention	2 2%	4 4%	18 18%	27 27%	49 49%
	6%		18%	76%	
24. Staff understand the specific needs of customers.	3 3%	1 1%	16 16%	33 33%	47 47%
	4%		16%	80%	
25. The restaurants have the customers' best interests at heart.	0 0	2 2%	17 17%	29 29%	52 52%
	2%		17%	81%	
26. The restaurants have operating hours convenient to all customers.	1 1%	5 5%	27 27%	31 31%	36 36%
	6%		27%	67%	

**FIGURE 5.13 EMPATHY IN CUSTOMER EXPECTATION**



Empathy satisfies the customer's desire for caring, individualized attention. The majority of the respondents indicate that empathy is important in measuring the service quality of Chinese fine-dining restaurants.

#### **5.4 MAIN FACTORS MEASURING MANAGEMENT PERCEPTION**

For the purpose of the study, five factors are used to measure Chinese fine-dining restaurant owners' perception of service quality, viz. tangibles, responsiveness, reliability, assurance and empathy.

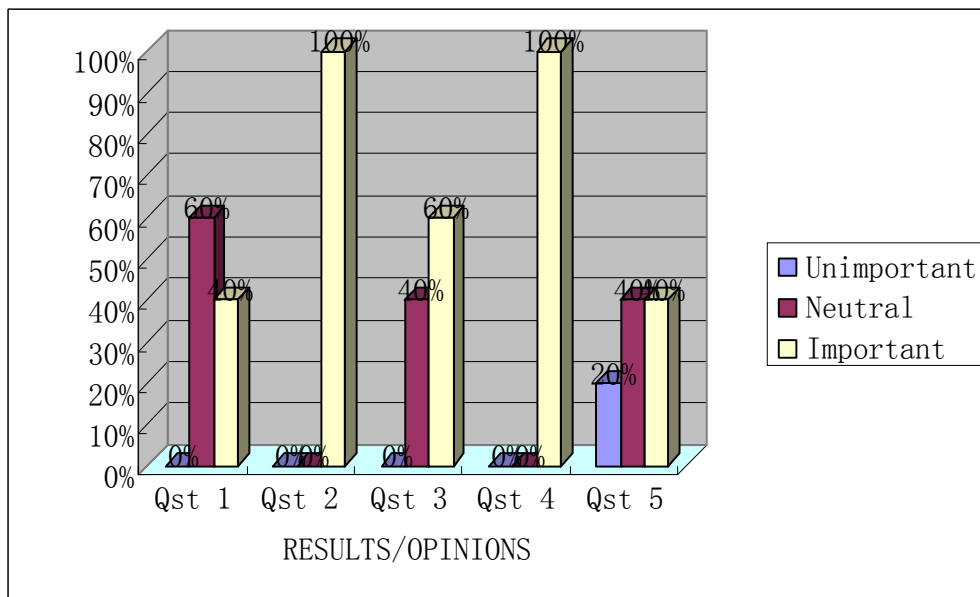
#### 5.4.1 Tangibles in management perception

**TABLE 5.14 TANGIBLES IN MANAGEMENT PERCEPTION**

Statement	Totally unimportant	Unimportant	Neutral	Important	Extremely important
1. Décor, furnishing of restaurants	0 0	0 0	3 60%	1 20%	1 20%
	0%		60%	40%	
2. Cleanliness of restaurants	0 0	0 0	0 0	0 0	5 100%
	0%		0%	100%	
3. Comfortable, casual environment	0 0	0 0	2 40%	2 40%	1 20%
	0%		40%	60%	
4. Neat appearance of waitrons	0 0	0 0	0 0	4 80%	1 20%
	0		0%	100%	
5. Music/entertainment	0	1	2	2	0

facilities	0	20%	40%	40%	0
	20%		40%	40%	

**FIGURE 5.14 TANGIBLES IN MANAGEMENT PERCEPTION**



Questions 2 and 4 have excellent results, as both cleanliness of restaurant and neat appearance are considered to be 100 per cent important. Forty per cent of the respondents indicate that both the furnishing of restaurants and

entertainment facilities are important, which reflects a negative result. More than half of the people indicate that a comfortable environment is important in Chinese fine-dining restaurants. The analysis indicates that the importance of tangibles is not conclusively proved.

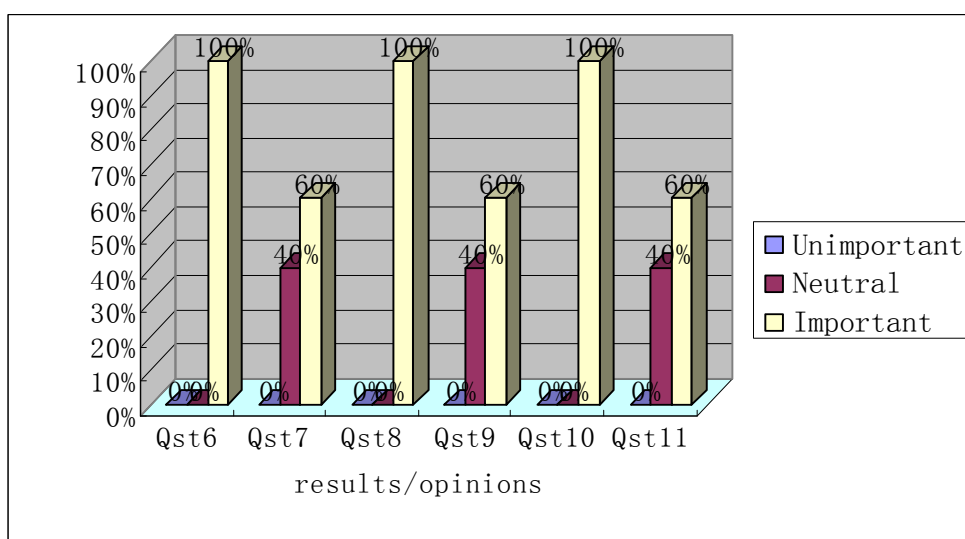
#### 5.4.2 Reliability

**TABLE 5.15 RELIABILITY IN MANAGEMENT PERCEPTION**

Statement	Totally unimportant	Unimportant	Neutral	Important	Extremely important
6. Quality of food	0	0	0	0	100
	0	0	0	0	100%
	0%		0%	100%	
7. Variety of menu choices	0	0	2	2	1
	0	0	40%	40%	20%
	0%		40%	60%	
8. Pleasing appearance of the food	0	0	0	3	2
	0	0	0	60%	40%
	0%		0%	100%	

9. Large enough portions	0	0	2	2	1
	0	0	40%	40%	20%
	0		40%	60%	
10. Freshness of the food	0	0	0	1	4
	0	0	0	20%	80%
	0%		0%	100%	
11. Appropriate temperature of the food	0	0	2	3	0
	0	0	40%	60%	0
	0%		40%	60%	

**FIGURE 5.15 RELIABILITY IN MANAGEMENT PERCEPTION**



Questions 6, 8 and 10 show excellent results, with one hundred per cent of the respondents indicating that quality of food, pleasing appearance of the food and freshness of the food are important. Sixty per cent of respondents indicate that

menu choices, large portions and appropriate temperature of the food are important. The analysis indicates that reliability is important in measuring Chinese fine-dining restaurant owners' perceptions of service quality.

#### 5.4.3 Responsiveness in management perception

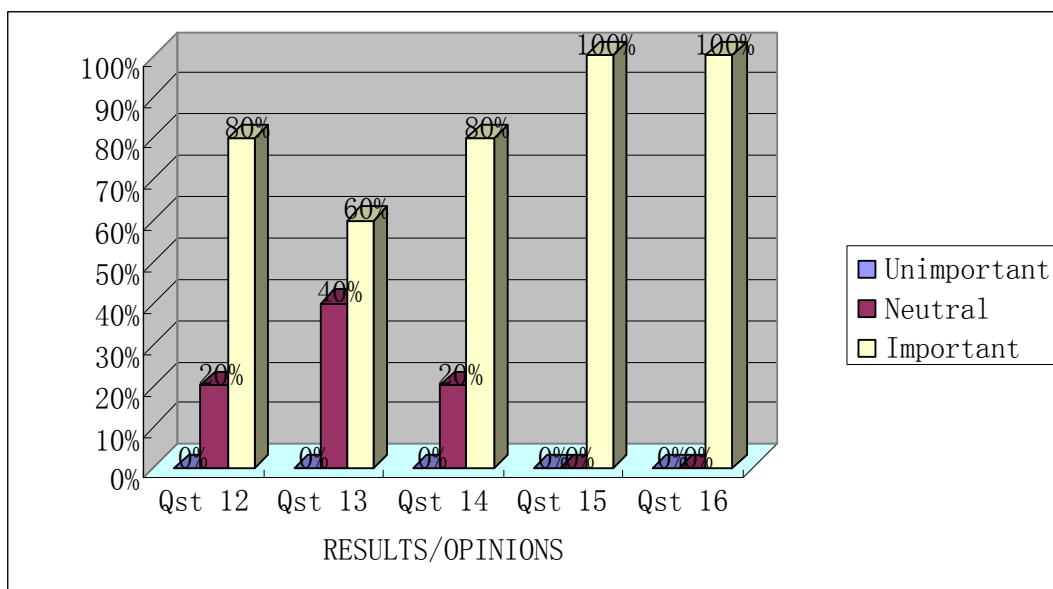
**TABLE 5.16 RESPONSIVENESS IN MANAGEMENT PERCEPTION**

Statement	Totally unimportant	Unimportant	Neutral	Important	Extremely important
12. Efficiency of service	0	0	20	202	60
	0	0	20%	20%	60%
	0%		20%	80%	
13. Hours of operation.	0	0	2	2	1
	0	0	40%	40%	20%
	0%		40%	60%	
14. Waitrons are responsive-attractive	0	0	1	2	2
	0	0	20%	40%	40%



	0%		20%	80%	
15. Provide good services	0	0	0	2	3
	0	0	0	40%	60%
	0%		0%	100%	
16. Efficient in solving customers' problems	0	0	0	20	3
	0	0	0	40%	60%
	0%		0%	100%	

**FIGURE 5.16 RESPONSIVENESS IN MANAGEMENT PERCEPTION**



Questions 15 and 16 show excellent results. The analysis indicates that good service and efficiency in solving customers' problems are very important in measuring Chinese fine-dining restaurant owners' perception of service quality. More than half of the respondents indicate that efficiency of service, hours of operation and responsiveness of waitrons are important in measuring Chinese fine-dining restaurant owners' perception of service quality. The analysis indicates that responsiveness is a very important aspect of this study.

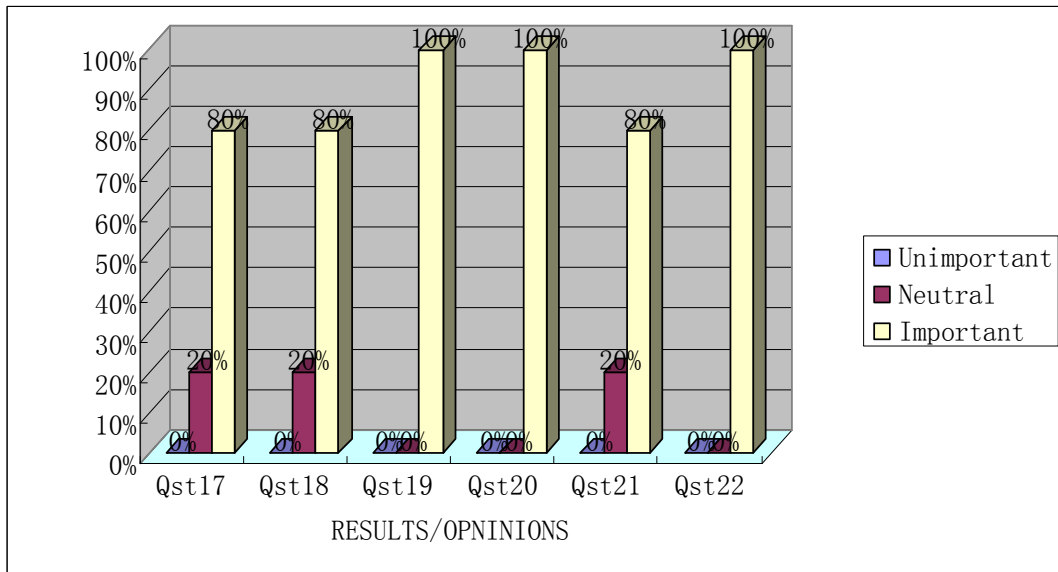
#### 5.4.4 Assurance in management perception

**TABLE 5.17 ASSURANCE IN MANAGEMENT PERCEPTION**

Statement	Totally unimportant	Unimportant	Neutral	Important	Extremely important
17. Confidence of waitrons.	0	0	1	1	3
	0	0	20%	20%	60%
	0%		20%	80%	
18. Security and safety of restaurants	0	0	1	0	4
	0	0	20%	0	80%
	0%		20%	80%	

19. Friendliness and courtesy of waitrons	0	0	0	3	2
	0	0	0	60%	40%
	0%		0%	100%	
20. Waitron communication skills	0	0	0	2	3
	0	0	0	40%	60%
	0%		0%	100%	
21. Knowledgeability of waitrons	0	0	1	2	2
	0	0	20%	40%	40%
	0%		20%	80%	
22. Sympathetic in handling complaints	0	0	0	4	1
	0	0	0	80%	20%
	0%		0%	100%	

**FIGURE 5.17 ASSURANCE IN MANAGEMENT PERCEPTION**



Questions 19, 20 and 22 show excellent results. One hundred per cent of respondents indicate that the courtesy of waitrons, the communication skills of waitrons and their sympathetic handling of complaints are important in measuring Chinese fine-dining restaurant owners' perception of service quality. Eighty per cent of the respondents indicate that confidence of waitrons, security of restaurants, and knowledgeability of waitrons are important in measuring Chinese fine-dining restaurant owners' perception of service quality. The analysis indicates that assurance is a very important aspect of this study.

#### 5.4.5 Empathy in management perception

#### 5.18 EMPATHY IN MANAGEMENT PERCEPTION

Statement	Totally unimportant	Unimportant	Neutral	Important	Extremely important
23. The restaurants give customers individual attention	0	0	0	4	1
	0	0	0	80%	20%
	0%		0%	100%	
24. Staff understand the specific needs of customers.	0	0	0	2	3
	0	0	0	40%	60%
	0%		0%	100%	
25. The restaurants have the customers' best interests at heart.	0	0	1	2	2
	0	0	20%	40%	40%
	0%		20%	80%	
26. The restaurants have operating hours convenient to all customers.	0	0	2	2	1
	0	0	40%	40%	20%
	0%		40%	60%	

**FIGURE 5.18 EMPATHY IN MANAGEMENT PERCEPTION**

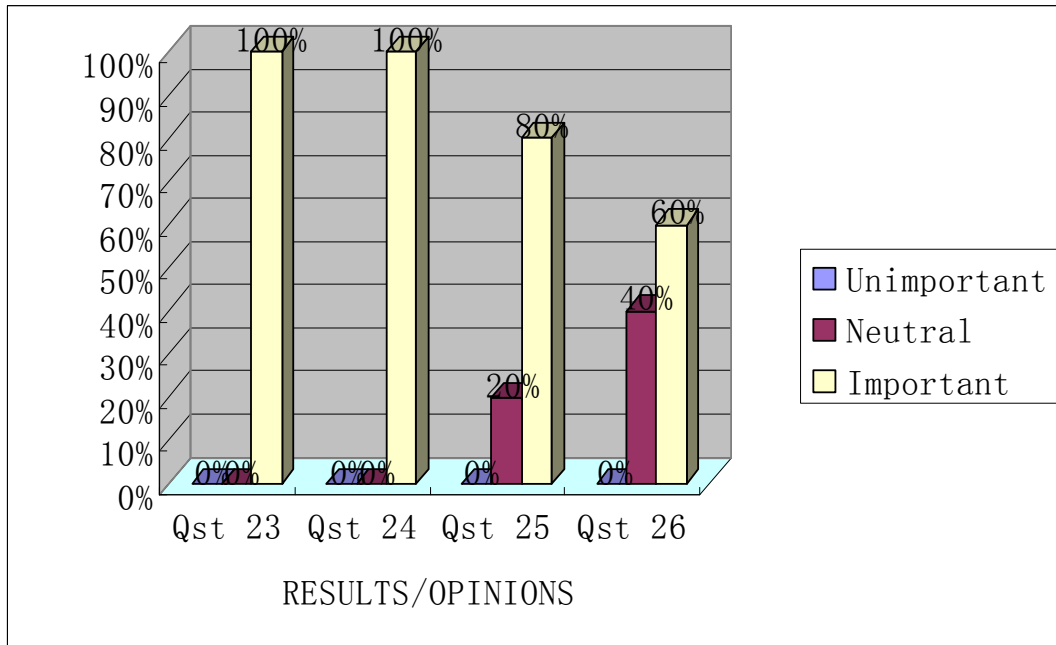


Figure 5.18 indicates that questions 23 and 24 show excellent results. One hundred per cent of respondents state that giving customers individual attention and understanding the specific needs of customers are important in measuring the service quality of Chinese fine-dining restaurants. More than half the respondents indicate that having the customers' best interests at heart and having operating hours convenient to all customers are important. The analysis indicates that empathy is important in measuring the service quality offered by Chinese fine-dining restaurants.

## 5.5 COMPARE THE DIFFERENCE BETWEEN THE CUSTOMER EXPECTATIONS AND THE MANAGEMENT PERCEPTION

In this section, the researcher is going to compare each factor separately. There are mainly five factors that need to be compared, namely tangibles, reliability, responsiveness, assurance and empathy.

### 5.5.1 The difference in tangibles

**TABLE 5.19 THE DIFFERENCE IN TANGIBLES**

CUSTOMER EXPECTATIONS				MANAGEMENT PERCEPTIONS			
	UNIMPORTANT	NEUTRAL	IMPORTANT		UNIMPORTANT	NEUTRAL	IMPORTANT
1	5%	22%	73%	1	0%	60%	40%
2	1%	9%	90%	2	0%	0%	100%
3	2%	12%	86%	3	0%	40%	60%
4	0%	6%	94%	4	0%	0%	100%
5	13%	37%	50%	5	20%	40%	40%

Table 5.19 indicates that there is a difference between customer expectations and management perceptions. The tangibles factor is important in respect of customer expectations. In respect of management perceptions, however, a neutral response was given for questions 1, 3 and 5. It is interesting to note that

management perceptions in respect of questions 2 and 4 exceeded customer expectations.

### 5.5.2 The difference in reliability

**TABLE 5.20 THE DIFFERENCE IN RELIABILITY**

CUSTOMER EXPECTATIONS				MANAGEMENT PERCEPTIONS			
	UNIMPORTANT	NEUTRAL	IMPORTANT		UNIMPORTANT	NEUTRAL	IMPORTANT
6	0%	6%	94%	6	0%	0%	100%
7	6%	11%	83%	7	0%	40%	60%
8	1%	9%	90%	8	0%	0%	100%
9	0%	6%	94%	9	0%	40%	60%
10	2%	9%	89%	10	0%	0%	100%
11	2%	12%	86%	11	0%	40%	60%

Table 5.20 indicates that reliability is important in terms of both customer expectations and management perceptions. The analysis of this comparative table shows little difference in this point is no difference in reliability between customer expectations and management perceptions in measuring the service quality of Chinese fine-dining restaurants. It is interesting to note that there is a big discrepancy in the scores for questions 7 and 9, which indicate that the vast



majority of customers rate variety of menu and large enough portions highly, unlike the perceptions of management

### 5.5.3 The difference in responsiveness

**TABLE 5.21 THE DIFFERENCE IN RESPONSIVENESS**

CUSTOMER EXPECTATION				MANAGEMENT PERCEPTION			
	Unimportant	Neutral	Important		Unimportant	Neutral	Important
12	0%	5%	95%	12	0%	20%	80%
13	7%	28%	65%	13	0%	40%	60%
14	1%	10%	89%	14	0%	20%	80%
15	1%	10%	89%	15	0%	0%	100%
16	1%	9%	90%	16	0%	0%	100%
17	3%	16%	81%	17	0%	20 %	80%

Table 5.21 indicates that there is little difference between customer expectations and management perceptions in measuring the service quality.

Responsiveness is regarded as important by both customers and managers.

#### 5.5.4 The difference in assurance

**TABLE 5.22 THE DIFFERENCE IN ASSURANCE**

CUSTOMER EXPECTATIONS				MANAGEMENT PERCEPTIONS			
	UNIMPORTANT	NEUTRAL	IMPOTORTANT		UNIMPORTANT	NEUTRAL	IMPORTANT
18	1%	13%	86%	18	0%	20%	80%
19	1%	10%	89%	19	0%	0%	100%
20	2%	14%	84%	20	0%	0%	100%
21	1%	10%	89%	21	0%	20%	80%
22	1%	17%	82%	22	0%	0%	100%

Table 5.24 indicates that there is little difference between customer expectations and management perceptions, and that assurance is considered important according to both customer expectations and management perceptions.

### 5.5.5 The difference in empathy

**TABLE 5.23 THE DIFFERENCE IN EMPATHY**

CUSTOMER EXPECTATIONS				MANAGEMENT PERCEPTIONS			
	Unimportant	Neutral	Important		Unimportant	Neutral	Important
23	6%	18%	76%	23	0%	0%	100%
24	4%	16%	80%	24	0%	0%	100%
25	2%	17%	81%	25	0%	20%	80%
26	6%	17%	67%	26	0%	40%	60%

Table 5.25 indicates once again that there is little difference between customer expectations and management perceptions, and that empathy is considered important according to both customer expectations and management perceptions in measuring service quality of Chinese fine-dining restaurants.

Based on the analysis of the five tables, there are four factors that are important according to both customer expectations and management perceptions, namely

reliability, responsiveness, assurance and empathy. The tangibility factor is more important to customers than to management.

## **5.6 SUMMARY**

This chapter gave an analysis of the empirical findings. Firstly, it introduced the demographic information on customer and Chinese fine-dining restaurant owners according to gender, race, age and so on. Secondly, it mainly analysed the main factors which were used to measure the customer expectations and the management perceptions, which are tangibles, reliability, responsiveness, assurance and empathy. Finally, it used compare to ascertain whether there is a difference between customer expectations and management perceptions.

Based on the analysis of tables and figures, four factors are important in measuring customer expectations and management perceptions. Only tangibility shows a big discrepancy, where it is not as important to the management as to the customers. Customer expectations significantly exceed management perceptions.

## **CHAPTER 6**

### **SYNOPSIS, CONCLUSION AND RECOMMENDATIONS**

#### **6.1 INTRODUCTION**

Chapters 2 and 3 listed the literature findings of service, service quality, customer expectations and perceptions, while Chapter 4 reported on the empirical findings of the service quality of Chinese fine-dining restaurants. Those chapters enable the researcher to draw a conclusion and make recommendations. These are presented in the current chapter.

#### **6.2 SYNOPSIS OF THE STUDY**

Chapter 1 described the research purpose and background and the research design of the dissertation. Firstly, it gave a description of the study, explaining what the research is about. Secondly, the researcher defined the research problems which contained sub-problems and the main problem. Thirdly,

research significance and research objectives were identified. Then the literature review and explanation of the main factors which were used to measure the service quality of Chinese fine-dining restaurants were presented. Finally, the research methodology was introduced, which gave an explanation of the research methods used in the whole dissertation.

Chapters 2 and 3 presented a brief description of selected literature based on the research topic. Firstly, it explained what service really is, how it is classified And what the difference is between services and goods. Secondly, it defined what service marketing is and how to identify the service marketing mix. Further, the researcher gave an explanation of service quality, service quality dimensions, the gaps model of service quality and the methods to measure it.

Chapter 3 provided a framework for thinking about customer expectations and perceptions. It was divided into three main sections. Firstly, the meaning and types of expected service were identified. Secondly, factors that influence customer expectations of service were introduced. Finally, factors that influence the customer perceptions of service were studied.

Chapter 4 addressed the research objective which determines the various techniques for the research methodologies and data-collection methods and analysis methods. Firstly, it began by defining the research design or type of

study. Secondly, the researcher chose the data-collection method—(based on whether there is secondary data available). Thirdly, the researcher determined what type of sample was to be used for the study. The final steps in the research methodology were to analyse and interpret the data and prepare a research report.

Chapter 5 reported the findings of the empirical study. Firstly, it identified a demographic information analysis, which was obtained from South African working adults and Chinese restaurant owners. It followed with a report on findings related to all the main factors related to the research topic, which focused on identifying the importance and perceived importance of elements reflecting service quality. Finally, the researcher presented a comparison between the customer expectations and the management perceptions.

### **6.3 CONCLUSIONS AND RECOMMENDATIONS**

The conclusions and recommendations of the research are identified in this section. Generally the conclusions are based on the theoretical and empirical findings, while the recommendations are based on the afore-mentioned conclusions.

As discussed in Chapter 2, measurement of the gap (Gap 1) between customer's expectations and management perceptions became the principal

focus of the research. The analysis provides important insights about the many differences between customer expectations and the management perceptions. Therefore, Gap 1 analysis is critical because it may prove to be an extremely useful tool for management to identify the service problems.

Overall evaluation of service quality in the five Chinese fine-dining restaurants in Port Elizabeth determined the important four factors, which were reliability, responsiveness, assurance and empathy. Reliability relates to the completion of tasks promised to the customers and the offering of solutions to the customers' problems. Responsiveness relates to the convenience of operating hours, and to the handling of problems. Assurance is about the security and safety of the restaurants. Empathy is about caring and individualized attention given to customers. It might be argued that this finding has major implications for the management of Chinese fine-dining restaurants, and perhaps also for other types of service organizations.

### **6.3.1 Reliability**

Zeithaml and Bitner (1997:119) state that reliability refers to the ability to perform the promised service dependably and accurately; in its broadest sense it delivers on its promises—promises about delivery, service provision, problem



resolution and pricing. The restaurants to which the customers are most loyal are reliable in delivering the core service.

The restaurant service needs to be aware of customers' expectation of reliability. Restaurants that do not provide the core service that customers think they are buying fail their customer in the most direct way. The importance of reliability is confirmed by finding what customers' expectations for service are likely to go up when the service is not delivered.

### **6.3.2 Responsiveness**

As described in Chapter 2, responsiveness is the willingness to help customers and to provide prompt service. This dimension emphasizes attentiveness and promptness in dealing with customer requests, questions, complaints, and problems. To excel in the aspect of responsiveness, the restaurant service must be sure to view the process of service delivery and the handling of requests from the customer's point of view rather than from the restaurant's point of view.

### **6.3.3 Assurance**

Assurance includes the employees' knowledge and courtesy and the ability of the restaurant and its employees to inspire trust and confidence. Assurance thus means that employees are confident enough to make customers feel safe

and satisfied. This dimension is likely to be particularly important for the restaurant service in South Africa, where safety is a vital concern.

### **6.3.4 Empathy**

Empathy includes the giving of caring, individual attention by restaurants. The essence of empathy is conveying, through personalized or customized service, that customers are unique and special. This means that service providers should understand customers' needs and give customers personal attention so that they feel special and important to the restaurants.

## **6.4 FURTHER RESEARCH**

The study chose 100 customers and five Chinese fine-dining restaurants in Port Elizabeth. A factor that might be considered in future research is whether the results revealed in this study would be valid in other types of restaurant such as Chinese take-away restaurants. Further research can be focused on the gap between customer expectations and customer perceptions at Chinese take-away restaurants.

## REFERENCE LIST

Aaker, D. Kumar, V. & Day, G. S. 1998. *Marketing research*. 6<sup>th</sup> ed. New York, N.Y.: Wiley.

Blythe, J. & Zimmerman, A. S. 2005. *Business-to-business marketing management: a global perspective*. Australia: Thomson Learning.

Burns, A. C. & Bush. R. F. 2003. *Marketing research: online research applications*. 4<sup>th</sup> ed. Upper Saddle River, N.J.: Prentice-Hall.

Cant, M. 2003. *Marketing research*. South Africa: New Africa.

Chisnall, P. 2005. *Marketing research*. 7<sup>th</sup> ed. London: McGraw-Hill

Churchill, G. & Iacobucci, D. 2005. *Marketing research: methodological foundations*. 9<sup>th</sup> ed. Harlow, England: Pearson Education.

Cooper, D. R. & Schindler, P. S. 2006. *Marketing research*. New York, N.Y.: McGraw-Hill/Irwin.

*Entertainment shopping*. 2008. Retrieved from

<http://www.ibhayi.com/attractions/entertainment.asp>, on 2 May 2008.

Ferreira, R. 2005. *Study guide 2005: Research Methodology IV*. Nelson Mandela Metropolitan University.

Gabbot, M. & Hogg, G. 1997. *Contemporary service marketing management. A reader*. London: The Drydon Press.

Grönroos, C. 2000. *Service management and marketing*. 2<sup>nd</sup> ed. England: John Wiley & Sons.

Hair, J.B. Bush, R.P. & Ortinau, D. J. 2003. *Marketing research: a practical approach for the new millennium*. Boston: Irwin/McGraw-hill.

Hoffman, K. D. & Bateson, J. E.G. 1997. *Essentials of services marketing*. Fort Worth, Tex.: Drydon.

Hoffman, K. D. & Bateson, J. E.G. 2006. *Services marketing: concepts, strategies, & cases*. 3<sup>rd</sup> ed. Mason: Thomson.

Hoyer, W. D. & MacInnis, D. J. 2004. *Consumer behaviour*. 3<sup>rd</sup> ed. Boston: Houghton Mifflin.

Johnston, R & Clark, G. 2005. *Service operations management*. 2<sup>nd</sup> ed. England: Prentice Hall.

Kasper, H. van Helsdingen, P & de Vries jr, W. *Service marketing management*. Chichester: John Wiley & Sons.

Kotler, P & Armstrong, G. 2006. *Principles of marketing*. 11<sup>th</sup> ed. Upper Saddle River, N. J. : Pearson Prentice Hall.

Kurtz, D. L. & Boone, L. E. 2006. *Principles of marketing*. Twelfth ed. Mason: Thomson.

Lamb, C. W. Hair, J. F. & McDaniel, C. 2006. *Essentials of marketing*. 5<sup>th</sup> ed. Mason, Ohio: Thomson/South-Western.

Lewis, R. C. Chambers, R. E. & Chacko, H.E. 1995. *Marketing leadership in hospitality: foundations and practices*. 2<sup>nd</sup> ed. New York: Van Nostrand Reinhold.

Lovelock, C. H. & Wright, L. 2002. *Principles of service marketing and management*. 2nd ed. Upper Saddle River, N. J.:Prentice Hall.

Lovelock, C. H. & Wright, L. 2003. *Principles of service marketing and management*. 3rd ed. Upper Saddle River, N. J.:Prentice Hall.

Malhotra, N. K. 2004. *Marketing research: an applied orientation*. 4<sup>th</sup> ed. Upper Saddle River: Pearsom Education.

McDaniel, C & Gates, R. 2005. *Marketing research*. 6<sup>th</sup> ed. Hobken, N.J.: Wiley

Morrison, A M. 2004. *Hospitality and travel marketing*. 3rd ed. United States: Thomson Learning.

Mudie, P & Pirrie, A. 2006. *Service marketing management*. 3rd ed. Great Britain: Butterworth-Heinemann.

Palmer, A. 2005. *Principles of services marketing*. 4<sup>th</sup> ed. London: McGraw-Hill.

Parasuraman, A. Zeithaml, V.A. & Berry, L. L. 1988. *SERVQUAL: A multiple-item scale for measuring consumer perceptions of service quality*. Journal of retailing: 64 (12-40)

Parasuraman, A., Grewal, D. & Krishnan, R. 2007. *Marketing research*. 3<sup>rd</sup> ed. Boston: Houghton Mifflin Company.

Powers, T & Barrows, C. 2005. *Introduction to the hospitality industry*. 6th ed. New Jersey: John Wiley & Sons.

Solomon, M. R. Marshall, G. W. & Stuart, E. W. 2008. *Marketing: real people, real choices*. 5<sup>th</sup> ed. Upper Saddle River: Pearson Prentice Hall.

Walker, J P. 2006. *Introduction to hospitality*. 4th ed. New Jersey: Pearson Education.

Woodruffe, H. 1995. *Services marketing*. London: Pitman.

Zeithaml, V. A., Parasuraman, A. & Berry, L. L. 1990. *Delivering quality service- balancing customer perceptions and expectations*. New York: The Free Press.



Zeithaml, V.A. & Bitner, M.J. 1996. *Service marketing*. United States of American: McGraw-Hill.

Zikmund, W. G. & D'Amico, M. 2001. *Creating and keeping customers in an e-commerce world*. 7<sup>th</sup> ed. Cincinnati, Ohio: South-Western College Pub.

Zaithmal, V.A. Bitner, M. J & Gremler, D. D. 2006. *Service marketing: integrating customer focus across the firm*. 4<sup>th</sup> ed. Boston, Mass: McGraw-Hill.

## **ANNEXURE A**

4 Gomery Place

Summerstrand

6001

Port Elizabeth

Aug. 2009

Dear Sir/Madam

The survey is conducted in fulfillment of a Masters Degree in Business Administration for which I am currently enrolled at the Nelson Mandela Metropolitan University. The purpose of the questionnaire is to find out what you expect from the Chinese fine-dining restaurants where you always visit in Port Elizabeth.

It would be appreciated if you could complete the attached questionnaire, and your information will be treated confidentially. Please complete the questionnaire as honestly as possible and please ensure that you have answered all the questions.

Thank you for participating in this survey.

Feng Zhao

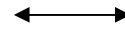
Section A: Customer perceptions of attributes of Chinese fine-dining restaurants

The items below related to your expectations of service quality in Chinese fine-dining restaurant. Please circle your answers from each of the items below. Your responses will be treated as strictly confidential.

1=totally unimportant, 3=neutral, 5= extremely important.

			ID
--	--	--	----

No	Questions	Totally Unimportant	2	3	4	extremely important
Factor 1 Tangibles						
1	Attitude décor, furnishing of restaurants	1	2	3	4	5
2	Cleanliness of restaurants	1	2	3	4	5



3	Comfortable, causal environment	1	2	3	4	5
4	Neat appearance of waitrons	1	2	3	4	5
5	Music/entertainment facilities	1	2	3	4	5
Factor 2 Reliability						
6	Quality of food	1	2	3	4	5
7	Variety of menu choices	1	2	3	4	5
8	Pleasing appearance of the food	1	2	3	4	5
9	Large enough portions	1	2	3	4	5
10	Freshness of the food	1	2	3	4	5
11	Appropriate temperature of the food	1	2	3	4	5
Factor 3 Responsiveness						
12	Efficiency of service	1	2	3	4	5
13	Hours of operation	1	2	3	4	5
14	Waitrons are responsive/attentive	1	2	3	4	5
15	Provide good services	1	2	3	4	5
16	Efficient to solve customers' problems	1	2	3	4	5
Factor 4 Assurance						
17	Confidence of waitrons	1	2	3	4	5
18	Security and safety of restaurants	1	2	3	4	5
19	Friendliness and courtesy of waitrons	1	2	3	4	5
20	Waitron communication skills	1	2	3	4	5
21	Knowledgeability of waitrons	1	2	3	4	5
22	Sympathetic handling complaints	1	2	3	4	5
Factor 5 Empathy						

23	The restaurants give customers individual attention	1	2	3	4	5
24	Staff understand the specific needs of customers	1	2	3	4	5
25	The restaurants have the customers' best interests at heart.	1	2	3	4	5
26	The restaurants have operating hours convenient to all customers	1	2	3	4	5

### Section B: Customer demographics

No	Questions	
1	Gender	a. male b. female
2	Age	a. younger than 30 b. 30-50 c. Over 50
3	Race	a. white b. black c. coloured d. others if others, please specify _____.
4	On average, how many times do you go to Chinese fine-dining restaurants per year?	a. 1-5 times b. 5-10 times c. Over 10 times

**Thank you for your time!**

**ANNEXURE B**

4 Gomery Place

Summerstrand

6001

Port Elizabeth

Aug. 2009

Dear Sir/Madam

The survey is conducted in fulfillment of a Masters Degree in Business Administration for which I am currently enrolled at the Nelson Mandela Metropolitan University. The purpose of the questionnaire is to find out what you expect from the Chinese fine-dining restaurants where you always visit in Port Elizabeth.

It would be appreciated if you could complete the attached questionnaire, and your information will be treated confidentially. Please complete the questionnaire as honestly as possible and please ensure that you have answered all the questions.

Thank you for participating in this survey.

Feng Zhao

#### Section A: Restaurant owner perceptions of attributes of Chinese fine-dining restaurants

The items below related to your experiences of running a Chinese fine-dining restaurant, which is about the importance of perceptions of service quality. Please circle your answers from each of the items below. Your responses will be treated as strictly confidential.

1=totally unimportant, 3=neutral, 5= extremely important.

			ID
--	--	--	----

No	Questions	Totally Unimportant ← extremely important				
Factor 1 Tangibles						
1	Attitude décor, furnishing of restaurants	1	2	3	4	5
2	Cleanliness of restaurants	1	2	3	4	5
3	Comfortable, casual environment	1	2	3	4	5
4	Neat appearance of waitrons	1	2	3	4	5
5	Music/entertainment facilities	1	2	3	4	5
Factor 2 Reliability						
6	Quality of food	1	2	3	4	5
7	Variety of menu choices	1	2	3	4	5
8	Pleasing appearance of the food	1	2	3	4	5
9	Large enough portions	1	2	3	4	5
10	Freshness of the food	1	2	3	4	5
11	Appropriate temperature of the food	1	2	3	4	5
Factor 3 Responsiveness						
12	Efficiency of service	1	2	3	4	5
13	Hours of operation	1	2	3	4	5
14	Waitrons are responsive/attentive	1	2	3	4	5
15	Provide good services	1	2	3	4	5
16	Efficient to solve customers' problems	1	2	3	4	5
Factor 4 Assurance						
17	Confidence of waitrons	1	2	3	4	5

18	Security and safety of restaurants	1	2	3	4	5
19	Friendliness and courtesy of waitrons	1	2	3	4	5
20	Waitrons communication skills	1	2	3	4	5
21	Knowledgeability of waitrons	1	2	3	4	5
22	Sympathetic handling complaints	1	2	3	4	5
Factor 5 Empathy						
23	The restaurants give customers individual attention	1	2	3	4	5
24	Staff understand the specific needs of customers	1	2	3	4	5
25	The restaurants have the customers' best interests at heart.	1	2	3	4	5
26	The restaurants have operating hours convenient to all customers	1	2	3	4	5

### Section C: restaurant owner demographics

No	Questions	
1	Gender	1. Male      2. Female
2	How long have you been managing a Chinese fine-dining restaurant?	a. 1-3 years b. 3-5 years c. Over 5years
3	On average, how many working adults do you entertain per month?	a. 50-100 persons b. 100-300 persons c. Over 300 persons



4	Do you think that male and female working adults have different expectations of a Chinese fine-dining restaurant?  If yes, please list these differences.	1. Yes	2. No
5	Do you think that the age of customer influence the expectations of a working adult?  If yes, please explain	1. Yes	2. No

**Thank you for your time!**