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Determining The Effect of Catering Companies' Attitudes Toward Customer Complaints on Customer Loyalty

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Abstract

Catering companies are organizations that provide catering services with a pre-agreed menu and price, prioritizing public health. This study aimed to determine the effect of catering companies' attitudes toward customer complaints coming to customer satisfaction management systems on customer loyalty. For this purpose, 175 customer complaints, the corrective and preventive action reports, and customer loss reports that came to three catering companies for twelve months between 2021 and 2022 were examined by the document review method, and all data were subjected to content analysis. As a result of the content analysis, customer complaints were categorized into four themes: (1) food safety problems, (2) food quality problems, (3) delivery problems, and (4) service quality problems. It was determined that the themes on which the complaints were mostly concentrated were respectively 40.57% food safety problems, 38.29% food quality problems, 19.42% shipping problems, and 1.71% service quality problems. According to the corrective and preventive action reports and customer loss reports, satisfaction levels after solving customer problems (92%) and customer loyalty (79%) were found to be high. These results show that companies that are aware of their mistakes and try to correct them are more successful. Another result of the content analysis applied to the documents is that (1) the competence of the company personnel, (2) the understanding of customer requests, and (3) the establishment of relational communication with the customers reduce complaints and ensure customer loyalty. Overall, it was determined that the attitudes of catering companies towards customer complaints were positive but insufficient, and a positive attitude also positively affected customer loyalty.

Keywords: Catering services, customer complaints, customer loyalty, attitude towards customer complaints.

1. Introduction

Nutrition is a basic necessity, and nutrition with safe and healthy foods is every individual's most natural right. It is important for public health that the individuals who make up society meet their nutritional needs from the right sources. Catering companies are organizations that carry out mass nutrition services by taking public health into account and providing food service on a pre-agreed menu and price (Doğan, 2020; Doğan, 2022a).

Catering companies are among the businesses that provide food and beverage services. Such businesses that provide catering services meet the nutritional needs of many different business personnel and guests, such as industrial facilities, schools, military facilities, hospitals, nursing homes, and elderly care centers (Doğan & Tekiner, 2021).

Catering companies have many different disciplines, and compared to other food companies, they have to produce and serve many different products simultaneously. A catering company, for example, differs from a food business that produces fruit juice in many ways, such as raw material input, product type, and lack of automation. In recent years, the demand for catering services has been increasing due to technological developments, urbanization, and an increase in the number of employees. Today, 70% of the population of developed countries receives at least one meal daily from companies that provide catering services (Payne-Palacio, 2016).

As in other sectors, the attitude it exhibits toward complaints about catering services determines customer satisfaction. To ensure customer loyalty, the most essential thing that will prevent the loss of customers is that businesses act more carefully and diligently on complaints. In today's highly competitive environment, catering companies can save money by keeping existing customers rather than acquiring new ones. For this reason, customer complaints should be carefully evaluated and resolved so that customer loyalty is ensured and customer loss is minimized. Customer loyalty depends on the response of catering companies to customer complaints. For this reason, catering companies need to see customer complaints about their products and services as an opportunity to improve themselves. This study aims to determine the effect of catering companies' attitudes toward the Customer Satisfaction Management System (CSMS) on customer loyalty (Doğan & Ay 2020).

2. Conceptual framework

2.1 Catering Industry

The most important feature that distinguishes catering companies from other food and beverage sectors is that they cater to corporate customers and also provide catering services to corporate customers' employees. Catering companies can understand the demands of all their corporate customers by understanding their food habits and menu characteristics because the demands of employees in different sectors differ. The employees of corporate customers need to have a balanced and healthy diet in their busy working lives, and the catering company must ensure this. Catering companies, which are an important sector for business life, have to be capable of responding to different food needs for each sector. In this context, factors such as the preparation of menus based on the preferences of the customers served, the compliance of the foods with food safety, the delivery of the meals on

time, and the serving of the meals are the basic demands that the customers expect from the catering companies (Payne-Palacio, 2016). There are three different types of services according to the food needs of the personnel of the corporate companies, and they are given in Table 1.

Table 1. Types of catering services provided by catering companies to corporate customers

Types of Food Service		
Transport food service	On-site food service	Food service with a meal card
It is the delivery of food suitable for the daily menu produced in the facilities of the catering companies to the customer's kitchen and serving in the customer's cafeteria.	It involves the catering company's production of meals in the customer's kitchen with its personnel and equipment and providing service.	If the customer does not have a cafeteria or operates in places such as offices or plazas, it provides meals to its employees at nearby restaurants by providing meal cards with a limited budget.

2.2 Customer complaints, satisfaction, and loyalty in catering companies

As with other businesses, the most important asset of catering companies is their customers, and there are no sales for companies that do not have customers. Customers are individuals or companies that have purchased, decided to purchase, used, or decided to use the goods and services provided by the suppliers for a certain fee. In other words, the customer becomes the solution partner of the supplier company that purchases the goods and services. When it comes to creating and maintaining a positive relationship with customers, the importance of listening to their complaints increases much more. A phenomenon such as the satisfaction that catering companies try to create with their customers is usually related to listening to the complaints of the businesses and finding solutions to the problems. Although catering companies are very meticulous in this regard, sometimes some disruptions may be encountered during the production and presentation of goods and services. Product businesses can solve these problems using product exchange or product return, but the same is not the case for catering companies. However, it is also possible that customers who think that the company will not listen to them can leave the company without even complaining in a situation where they are not satisfied (Lin, 2011; Ying-Yen, 2022).

Consumers are now aware of the abundance of businesses that offer the highest quality goods and services at the lowest possible cost and in the shortest amount of time. This has been a determining factor in establishing the quality of goods and services of other companies in a consumer-oriented manner. Firms realized that intangible assets and intellectual capital, as well as tangible assets, played a critical role in creating value for consumers. In addition to creating a loyal customer base, it has also been proven by scientific research how important it is to maintain customer loyalty in terms of profitability and competitive advantage for companies. Considering customer complaints in terms of customer loyalty, customer satisfaction is positively affected by the increased communication between the customer and the company (Morgeson III et al., 2020).

3. Methodology

With this study, complaints received from the CSMS of three catering companies operating in Istanbul for the twelve months between 2021 and 2022 were determined, categorized, and evaluated. Afterward, corrective and preventive action plans and forms prepared for customer complaints were examined. The customer profiles of the companies were also examined, and the loss of customers for twelve months was determined and evaluated. Studies carried out within the scope of corrective and preventive activities were subjected to content analysis. In addition, CAPA (corrective and preventive action) reports were examined, and the attitudes and behaviors of companies towards customer complaints were attempted to be determined by taking into account customer losses. As a result, it has been tried to determine the effect of catering companies' attitudes towards complaints on customer loyalty (Bowen, 2009).

The universe of the research consists of take-out customers who submit complaints to the CSMS of catering companies, and the sample consists of take-out customers of three catering companies operating in Istanbul. The average daily food production of three catering companies is 6,000, and a total of 175 written or verbal complaints were received from the CSMS of the companies between June 2021 and May 2022 (Gürbüz & Şahin 2018).

Qualitative research methods were used as a research design in our study. The document review method was used as a data collection tool, and it refers to the whole of the examination, recording, and evaluation stages for a specific purpose. The most advantageous aspect of this method is that the data collection process has a high degree of reliability since the text has not undergone any change. A document review was conducted, and the documents consisted of customer complaints received by the CSMS, CAPA reports, and customer loss reports. The content analysis method was used in the analysis of the data and was supported by expert opinion. Content analysis is a method for systematically categorizing data from a text. In other words, content analysis is to search for and discover certain themes within the emerging qualitative data. For the accuracy of the research findings to be at an acceptable level, their validity and reliability must be ensured (Drisko & Maschi 2016).

To ensure the validity of the themes revealed by content analysis, the entire study was objectively and holistically evaluated. Incoming complaints were categorized and divided into themes, and the results were tested with frequency analysis. The CPAs were used to try to understand the attitude and actions taken in response to the complaints. Finally, the relationship between companies' attitudes toward complaints and customer loyalty has been investigated (Stemler, 2015).

4. Result and Discussion

The general distribution of customer complaints received by the CSMS of three catering companies during the twelve months between June 2021 and May 2022 is given in Table 1.

Table 2. Distribution of Customer Complaints Received by Customer Satisfaction Systems

No	Description of the Complaint	Distribution of Complaints						Total Number of Complaints	Complaints (%)
		Jun-Jul	Aug-Sept	Oct-Nov	Dec-Jan	Feb-Mar	Apr-May		
1	Physical contamination (hair, flies, etc.)	12	10	10	11	10	12	65	37,14
2	Portion scarcity	10	10	8	6	7	8	49	28,00
3	Meals arrive late.	5	4	3	4	3	4	23	13,14
4	Menu mismatch	2	1	1	1	0	1	6	3,43
5	Lack of staff hygiene	2	1	1	0	1	1	6	3,43
6	Bread of poor quality (stale, uncooked, etc.)	0	1	1	2	1	1	6	3,43
7	Poor food quality	2	1	1	0	1	0	5	2,86
8	Lack of Couvert materials	0	1	1	0	2	1	5	2,86
9	The bread came in missing pieces.	1	0	0	0	1	1	3	1,71
10	Service staff is disrespectful.	0	0	1	0	1	1	3	1,71
11	The number of meals listed on the waybills is problematic.	1	1	0	0	1	0	3	1,71
12	Food has an unpleasant odor.	0	0	0	1	0	0	1	0,57
	Total	35	30	27	25	28	30	175	100,00

Content analysis was applied to 175 customer complaints received via CSMS. As a result of the content analysis, the complaints were categorized into four themes, and a frequency analysis was performed to determine the order in which the complaints were expressed by the customers. The frequency distributions are given in Table 2.

Table 3. Customer Complaint Themes and Frequencies

Themes of Customer Complaints		f	%
1	Food safety problem	Physical contamination (hair, flies, etc.)	65 37,14
		Lack of staff hygiene	6 3,43
		Total	71 40,57
2	Food quality problem	Portion scarcity	49 28,00
		Menu mismatch	6 3,43
		Bread of poor quality (stale, uncooked, etc.)	6 3,43
		Poor food quality	5 2,86
		Food has an unpleasant odor	1 0,57
		Total	67 38,29
3	Delivery problem	Meals arrive late	23 13,14
		Lack of couvert materials	5 2,86
		Bread came in missing pieces	3 1,71
		The number of meals on the waybills is problematic	3 1,71
		Total	34 19,42
4	Service quality problem	Service staff disrespectful	3 1,71

We categorized customer complaints into four themes: food safety problems, food quality problems, delivery problems, and service quality problems. It was determined that the themes with the highest concentration of complaints were 40.57% food safety problems, 38.29% food quality problems, 19.42% delivery problems, and 1.71% service quality problems. 91.54% of the complaints about food safety are due to physical contamination, and it was determined that the second-leading cause was a lack of personnel hygiene, with 8.46%. It was observed that 73.13% of the complaints on the theme of food quality problems were due to the small portion and 8.95% to the menu's incompatibility. When the complaint theme regarding the delivery problem was examined, it was seen that 67.64% of the complaints were caused by the late arrival of the meals and 14.70% were due to the lack of couvert material.

As a result of the frequency analysis, it was determined that the theme with the highest number of customer complaints was physical contamination (hair, flies, etc.) from food safety problems, with 37.14%. Şahin et al. (2018) examined customer complaints received from seafood restaurants in Alaçatı, İzmir, and discovered that food safety and quality were the second most common (34.14%). In another study, it was reported that the frequency of customer complaints related to the food safety problem was 21.74% (Kılınç and Saka, 2019). It was determined that the second-highest number of customer

complaints was the lack of portions (28.00%) under the theme of food quality problems. Similarly, studies have reported that the most common complaint of customers about the food service is the negative aspects related to the quality of the food (Xu, 2021). It was determined that the meals under the theme of the delivery problem, which had the third highest number of customer complaints, arrived late to the project (13.14%). In food service, which is the most time-constrained and labor-intensive sector, it is possible to frequently encounter complaints related to delivery, such as a lack of food, missing consumables, food not being delivered on time, and food going wrong due to personnel. Although among all customer complaints, the delivery problem has the highest complaint rate, when such complaints are submitted to the CSMS, the rapid reaction to the solution plays a very small role in the negative charge on the customer's view of the firm. Wang et al. (2022) reported that the food delivery problem of catering services was the most important problem to be solved and suggested routing optimization as a solution.

According to Abdullah et al. (2011), it is critical to understand customer complaints of food service companies and to demonstrate approaches that can solve this situation so that customers will prefer the same business again. Customer loss and CAPA reports for three catering companies for twelve months were examined and compared with each other. As a result, when the satisfaction levels after the solution to customer problems were examined, it was determined that the majority of the customers were satisfied with the businesses (92%), and continued to be loyal (79%), after the solution of the problems. As can be seen from the results and reports of these studies, companies that are aware of their mistakes and try to correct them are more successful (Almanza, 1994).

Today, as in all sectors, it has become a necessity to know the expectations of customers in the catering sector and to measure their satisfaction levels to meet these expectations, determine the issues they are not satisfied with, and increase the level of satisfaction (Tzeng et al., 2011). Due to the developments in competition and technology, the expectations of the customers are increasing gradually, and a business can maintain its continuity by providing customer satisfaction (Setyadarma et al., 2022; Doğan, 2022b). Especially since catering companies are a part of the service sector, customer relations have an important place in ensuring customer satisfaction. It is critical to establish channels for customers to communicate their expectations and complaints to companies in order to ensure customer satisfaction and loyalty (Özbek et al., 2021). In recent years, complaints have been an important opportunity as businesses have started to use customer complaints to identify customer needs. Businesses look for ways to learn about customers' complaints and try to increase them, and customer loyalty occurs when customers are satisfied with the products and services they buy (Morgeson, 2020).

Content analysis was applied to the customer complaints and CAPA reports coming to the CSMS of three catering companies, and it was concluded that there were similar results. These are the themes of

(1) the competence of the company personnel, (2) understanding the requests of the customers, and (3) establishing a relational communication with the customer, which can affect the number and subject of complaints. The satisfaction of each customer is of great importance for catering companies that have adopted quality systems, and the first step in achieving satisfaction is to be aware of the complaint. For this reason, customers should report their complaints to the company, which will evaluate the complaints and ensure customer satisfaction and loyalty. If the customers cannot report their complaints for any reason, their opinions about the company will be negative, and if this continues, existing customers will be lost. In addition, sharing the complaint issues with others instead of the service provider company may cause other potential customers not to prefer the relevant company. To know the thoughts of the customers about the services and products of the enterprises, it is necessary to establish good relational communication with the customers and encourage them to give feedback. In this way, customer requests will be determined, and because dissatisfaction can be evaluated, corrective and preventive measures can be taken, and customer loyalty will be ensured as a result (El-Garaihy, 2013).

When the customer complaints and CAPA reports sent to three catering companies were examined, it was determined that the staff's attitudes toward complaints were generally positive but insufficient. For this reason, it is a necessity for businesses to be more aware of customer complaints and to ensure service quality. For this purpose, it is necessary to contribute to the development of the knowledge, skills, and motivation of the personnel in customer relations through in-house training and to implement an effective personnel management policy (Johanson et al., 2011).

Due to the nature of the service industry, catering companies need to establish a relationship with their customers and listen to them to maintain this relationship. Relationships require mutual benefit, and the things that companies try to build with customers, such as trust, commitment, and satisfaction, are usually related to fulfilling their promises (Mahafzah et al., 2020). Although catering companies are very meticulous in this regard, sometimes some problems may be encountered during production and service. Product businesses can solve these problems using product exchange or product return, but this cannot be the case for catering companies, which are service businesses. In addition, customers who think that their companies will not listen to them can leave their food supply company without even complaining in the event that they are not satisfied with it (Chou et al., 2022).

5. Conclusion

175 customer complaints, CAPA reports, and customer loss reports received in the CSMS of three catering companies for twelve months between 2021 and 2022 were examined by the document review method, and content analysis was applied to the data. First, four main themes in customer complaints were identified: (1) food safety problems; (2) food quality problems; (3) shipment problems; and (4) service quality problems. According to CPA and customer loss reports, satisfaction levels after solving

customer problems (92%) and customer loyalty (79%) were found to be high. These results show that companies that are aware of their mistakes and try to correct them are more successful. Another result of the content analysis applied to the documents was that (1) the competence of the company personnel, (2) understanding the customer requests, and (3) establishing relational communication with the customers reduced complaints and ensured customer loyalty.

The effect of customer complaints on customer acquisition is too great to be ignored, and therefore companies need to have a CSMS that not only responds to customer complaints but also encourages customers to complain. Catering companies need to develop relational communication with customers to establish a good CSMS. The reason for this is that customers who have relational communication with their companies are reported to be more understanding of the problems that may occur. As a result, catering companies that effectively evaluate customer complaints provide many advantages economically. These are in summary: (1) it reduces the number of complaints and thus reduces the cost of handling complaints; (2) it facilitates the retention of loyal customers and reduces the cost of retaining customers; and (3) it enables the acquisition of new customers with the help of word-of-mouth advertisements. Relationships are particularly important for catering companies, and it has been reported that poor handling of complaints can harm even good service. Catering companies will be able to provide long-term customer loyalty by taking relationships into account.

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