

Saimaa University of Applied Sciences
Faculty of Tourism and Hospitality
Degree Program in Hotel, Restaurant and Tourism Management

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Elaboration of an External Customer Feedback System in a Restaurant

Thesis report 2017

Abstract

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Customer satisfaction is one of the most important factors in success of any business, as customers are the main source of profit generation. Satisfied or even delighted customers are more likely to become loyal to the company ensuring long-lasting profitable relationships. The main purpose of the thesis was to investigate the concept of customer satisfaction and identify the current level of satisfaction among external customers of restaurant Classic Pizza Saimaa. Thus, study was aimed to expand the feedback system of the restaurant, and was intended to find reasons for any customer dissatisfaction.

The information needed for the theoretical part of the thesis was gathered from the literature, the Internet, and author's personal expertise. The quantitative research method was utilized in empirical study. Gathered primary data was analysed and interpreted in order to draw conclusions and to elaborate suggestions and recommendations for the partnering company.

The questionnaire was distributed among targeted population, which allowed author to gather primary data for the research and consequently analyse and interpret it. The results showed that majority of customers were satisfied with the company's services and product line. However, some respondents were not that pleased, and revealed the reasons behind it. Conducted research was meant to create a fundamental base for prospective studies in the establishment, that are related to the customer satisfaction and to the performance of the working processes within the restaurant.

Keywords: customer satisfaction, feedback system, questionnaire

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1 Introduction

External customers are the main source, upon which, direct success of any business depends. They provide constant revenues for a company, contribute to certainty of a business operations, maintain profitability, and play a crucial role in long-term economic success of an organization, especially within the hospitality industry and tourism.

Every firm is interested in attracting potential customers towards consumption of their services and products. Hence, each restaurant aims to design their offerings according to specific needs of their target group of customers, and intends to provide those, in combination with charming interior, auspicious atmosphere, and unexceptionable customer service. In order to create an outstanding memorable experience and make customer satisfied, it is essential to understand the meaning of customer expectations, needs, motives and attitudes.

It is important to measure customer satisfaction, because level of customer satisfaction is a leading marketing indicator to verify customer loyalty, define consumer's behaviour and purchase intentions. Moreover, customer satisfaction assists in measuring quality and helps in maintaining of perceived value of restaurant's physical goods and services.

Satisfied customers are more likely to become loyal to the company, which is a favourable outcome derived from the interaction between consumers and the company. Each establishment has to track the level of satisfaction on the regular basis, thus, gather customer-driven data and utilize it for potential improvements and adjustments of working processes.

This study focuses on customer feedback system and an overall level of customer satisfaction in a restaurant Classic Pizza Saimaa. The restaurant is located within the premises of Holiday Club Saimaa Resort, and operated by the same company on the franchising agreement. The restaurant was opened in the beginning of year 2016, and has been running nearly for two years' now.

The author has been working in Holiday Club Saimaa in the position of a waiter and a bartender for almost five years from the year 2012. At the time he was working particularly in Classic Pizza, he came up with the idea of carrying out a research related to customer satisfaction, and apply personal experience together with

acquired knowledge from the university studies. Furthermore, customer feedback system was lacking of one main feedback instrument: external customer satisfaction survey. Thus, there was a possibility to accomplish a meaningful research for the establishment and contribute to advancement of its business operations.

1.1 Purpose / objectives of a study

The main purpose of this thesis is to expand current customer feedback system of the restaurant. Ongoing system has several channels for collecting feedback. Customers are able to leave feedback through the company's website. Additionally, they could express their opinion directly to the personnel, or reveal their thoughts within the feedback form intended for the hotel guests. However, a customer satisfaction survey has never been accomplished before. That fact gives author a possibility to implement such a research, study the present level of customer satisfaction, and create a fundamental basis for similar future surveys.

The first objective of the research is to investigate the nature of customer satisfaction, define shaping elements, and determine factors influencing it. The second objective implies employment of gathered knowledge in defining a content and a format of questionnaire, in order to distribute it among external customers and measure current level of customer satisfaction.

Third objective is to harvest reliable and accurate data, interpret it and compile the results, by drawing worthy recommendations and conclusions for the organization. Management team intends to use outcomes of the research as a source of information for prospective decisions in improvement and development of the customer feedback system of the restaurant.

1.2 Research method

Considering the fact that one of the main objectives of the research is to collect numerical data that represents customers' perceptions of the company's products and services, the research approach to be employed in the study is quantitative, which is carried out in a form of survey. The main instrument and data collection tool of the research is a questionnaire.

1.3 Framework of the thesis

The thesis report consists of five parts as it is demonstrated in figure 1. These parts are: Introduction, Theoretical background, Research methodology, Empirical study, and Conclusions and recommendations. The first part describes the purpose of the study and explains its objectives; moreover, this part relates to research approach and limitation of the study.

In theoretical background subjects like customer service, customer expectations, customer experience, and customer satisfaction are reviewed. Furthermore, factors influencing customer's satisfaction together with the concepts of customer loyalty, customer feedback system and service quality are discussed in detail.

Research methodology describes the research process, reveals its stages and clarifies methods in use. Additionally, this section explains the validity and reliability of the conducted research. The details of the empirical study and the research findings are discussed in the fourth part. Final chapter is allocated for general conclusions and recommendations for partnering company.

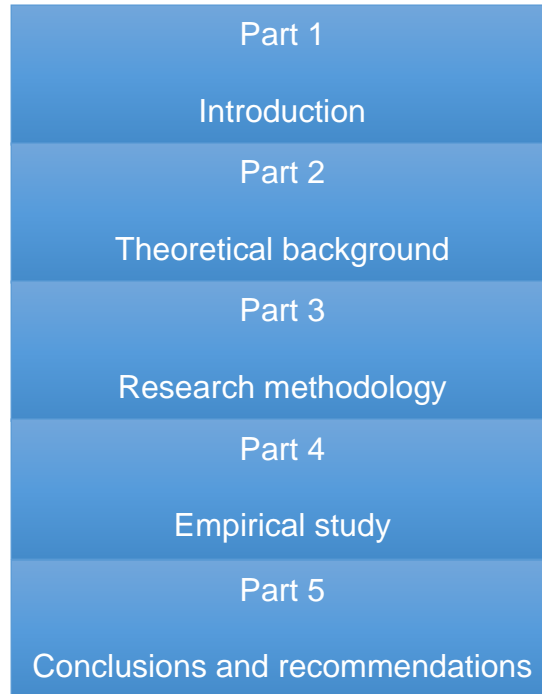


Figure 1. Framework of the thesis

1.4 Limitation of the research

The research is conducted among external customers of the restaurant Classic Pizza Saimaa which makes the outcomes to be applicable and meaningful only for that restaurant. The survey was accomplished during a specified period of time, reflecting satisfaction level during that period of time.

Moreover, the results of the research depend on the fact that each participant answered honestly, without prejudice and falsehood. The research focuses on customer satisfaction metrics and does not intend to measure loyalty, retention, or other concepts.

2 Theoretical background

The theory relevant to the research topic was attentively selected by the author as it has a great impact on the quality of research's outcomes. The chosen information was carefully reviewed and summarized in the following theoretical part of the thesis.

2.1 Customer service

The main purpose of a restaurant is to provide its customers with tangible products like food and beverages to its customers by the means of customer service in an exchange of money. Furthermore, as a business establishment restaurant has to make profit and continue its operations with certainty. Customer service is provision of service to the customers before, during, and after the purchase. From the financial point of view, customer service is a sales process, which plays an important role in organizations' ability to generate income and revenue. Moreover, customer service encounter determines customers' experience and entire perception which customer holds towards the organization. (Customer service 2017.)

Customer service at the restaurant is aimed to meet customer expectations and provide pleasant and satisfying meal experience. Some characteristics could be attributed to effective customer service:

- **Service level** (intensity of or limitations in the individual personal attention given to the customer)
- **Service availability** (opening times, assortment of the menu)
- **Level of standards** (F&B quality, décor, staff professionalism)

- **Service reliability** (extent to which product is intended to be consistent and consistency in practice)
- **Service flexibility** (availability of alternatives, variations of standard products). (Lillicrap & Cousins 2010, p.12.)

According to Lovelock and Wirtz (2011), service consumption could be divided in three stages: pre-purchase, service encounter, post-encounter. The very first pre-purchase stage includes different steps: awareness of need, information search, evaluation of alternatives, and making a final purchase decision, while service encounter compounds consumption of the service and actual customer experience.

Moment of truth takes place when service or product is delivered to the customer by personnel or self-service. Right after the initial stage of consumption comes post-encounter stage that includes evaluation of service performance and determination of future intentions related to this service or product. Service encounter together with following evaluative stage play a significant role in customer's future decision to repurchase products and experience services of the company again.

2.2 Customer expectations

Expectations are formed in the pre-purchase stage, particularly during search and decision-making process, they are heavily shaped by information search and evaluation of attributes. Therefore, if customer has no prior experience, pre-purchase expectations would be based on word-of-mouth comments, company's image and marketing effort, and news stories. (Lovelock & Wirtz 2011, p.64.)

Lovelock and Wirtz (2011) had defined several elements of customer's expectations: desired service, adequate service, predicted service, and zone of intolerance. In figure 2 we can see that Desired Service is the service customers hope to receive, and is a combination of what customers believe what can and should be delivered in the context of their personal needs. Furthermore, desired service could be affected by implicit and explicit promises of a company, past experience, and word of mouth. Adequate service implies the minimum level of service customers would accept without being dissatisfied, while predicted service is what customers actually anticipate receiving. When service falls out of the range of the zone of tolerance, the reaction would be either positive or negative.

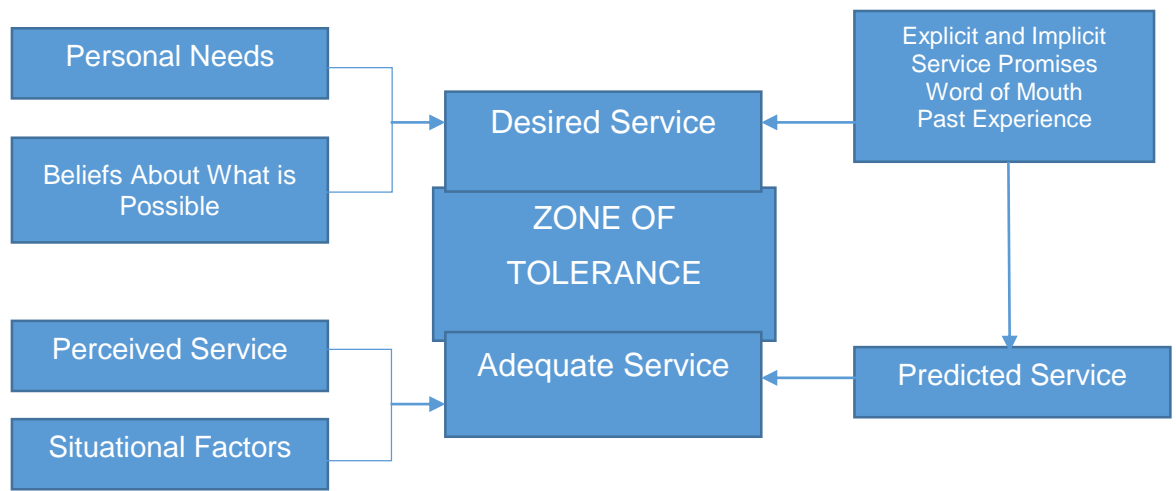


Figure 2. Factors influencing customer expectations of service

It is difficult for companies to achieve consistent service delivery through all touchpoints, even service performance from the same employee could vary over time, that is why Zone of Tolerance defines the extent to which customers are willing to accept such variation of performance, and do not explicit attention. Too low performance would cause dissatisfaction, while exceeding the desired service level should surprise and delight customers.

Lovelock and Wirtz (2011) stated, that desired and adequate levels of service with the zone of tolerance become important determinants to customer satisfaction.

Within the restaurant industry customers want value, quality for their money together with effective service. During the service encounter customers are expecting certain intangibles, such as personal recognition, courtesy, timely service, professionalism, enthusiastic service, empathy, and patience. (Lucas 2012, p.68.)

2.3 Customer satisfaction

Vavra (2002) defined satisfaction as follows: “Satisfaction is a customer’s emotional response to his or her evaluation of the perceived discrepancy between his or her prior experience with and expectations of our product and organization and the actual experiences performance as perceived after interacting with our organization and consuming our product.”

Customer satisfaction is related to the needs and expectations of the customers, which in turn are affected by several factors connected with previous experience with the company, company’s reputation, what company has promised, and to some extent company’s pricing policy (Bergman & Klefsjö 2010, p.329).

In the post encounter stage of service or product consumption, customers evaluate their experience and compare it to their prior expectations, which makes customer satisfaction an attitude-like judgement to occur straight after consumption experience. Most of the researches validated that confirmation or disconfirmation of the preliminary expectations is an essential determinant of level of satisfaction. That means that customers have certain predicted level of a service or level of quality of a product in their minds, which is the result of prior search and choice process, after the moment when customer decided to buy something or use particular service. During the service encounter customers compare the experienced performance with the predicted service levels and result the consequent judgement. (Lovelock & Wirtz 2011, p.75.)

The definition of satisfaction reflects a person's individual judgement of a service's or product's perceived performance in relationship to his or her expectations. Thus, if the actual performance is short of expectations, a customer is dissatisfied and disappointed, while if it matches expectations the consumer is satisfied. Moreover, if performance exceeds customer's expectations, such customer would become delighted. (Kotler, Keller, Brady, Goodman & Hansen 2009, p.17.)

Certainly, both customer satisfaction and customer delight are fully consistent with the underlying principles of marketing concept, thus occur as worthy strategies for marketers to follow. The widely quoted study showed that there are several types of customers, whose level of satisfaction is linked to their behaviour. On the positive side there are completely satisfied customers who are loyalist and keep on purchasing from the company, or apostles whose actual experiences exceed their expectations, which results in very positive word-of-mouth about the company. However, on the negative side there are defectors who feel neutral, or slightly satisfied, and are more likely to stop doing business with the company, while customer terrorist who had unpleasant experience with the company, would spread negative word-of mouth. Additionally, unhappy customers or hostages, who stay with the company due to pricing policy or monopolistic environment, are costly and difficult to handle because of their frequent complaints. Finally, the last type of customers are mercenaries, who while being satisfied do not have any loyalty to the company and could leave to other company because of lower prices, or an impulse, defying the satisfaction. The researchers consider that the company should strive to create apostles, increase the satisfaction level of defectors and make them loyal

to the company, avoid presence of terrorists or hostages, and decrease the number of mercenaries. (Schiffman, Kanuk & Wisenblit 2010, pp.29-30.)

2.4 Customer experience

Food and beverage service is primarily designed and managed as a delivery process, with customer being considered central to the process and active participant in it. It is critical to understand the customers' involvement in the process and identify what experience they are likely to have and should expect from the foodservice operation. It is now recognized that foodservice operation consists of two separate sub-systems, which are operating at the same time. First is service sequence, which is primarily connected with delivery process of food and beverages to the customer, while second is customer process, which is concerned with customers' experience. (Lillicrap & Cousins 2010, p.15.)

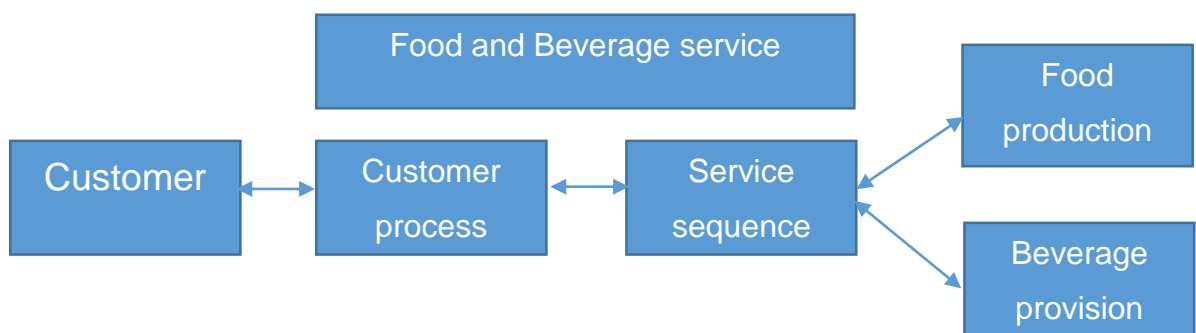


Figure 3. Simple model of foodservice operation

As you can see in the figure 3, service sequence is an essential link between beverage provision, production system, and customer experience (customer process). Customer experience could be divided into several elements which act as touchpoints with the customer during foodservice operation.

The model in figure 4 clearly shows the relationship between various systems within a foodservice operation. Furthermore, it identifies the key stages of customer's experience in relation to service sequence and production system.

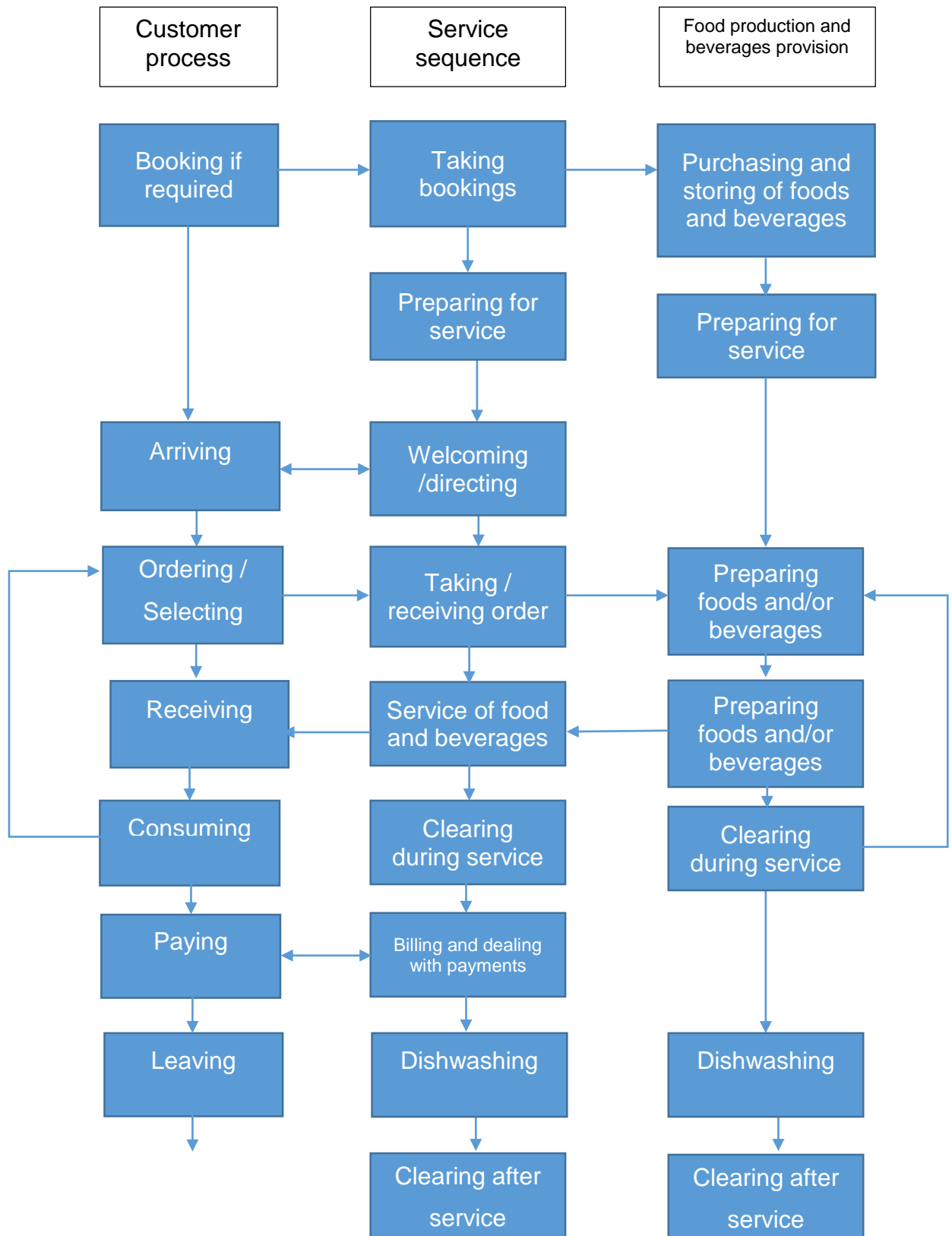


Figure 4. The relationship between different systems within operating service

2.5 Importance of customer satisfaction

Companies that are truly customer-focused, understand the importance of satisfied and loyal customers, which are fundamental to the health of the business, ensuring sustainable long-term growth, which is as significant as improving margins and reducing costs (Cook 2012, p.164).

Measurements of customer satisfaction level and its determinants are critical for every company, because such data could be used by marketers to retain customers, improve the quality and value of offered products and services, sell more, and operate more effectively and efficiently (Schiffman, Kanuk & Wizenblit 2010, p.61).

As Bergman and Klefsjö (2010) underlined in their book, the degree of customer satisfaction is the ultimate measurement of quality, because external customers are always the ones to judge the quality of provided products and services. Thus, it is an important indicator of required improvements and adjustments of services or products.

It is important to realize that the number of complaints is not a good measurement of customer dissatisfaction. According to several investigations only five percent of dissatisfied customers actually complain, on the other hand they spread the negative word of mouth among their colleagues, friends, and relatives. Thus, their negative experience is communicated between the customers without knowledge of the supplier, especially today with the help of the Internet. (Bergman & Klefsjö 2010, pp. 332-333.) Figure 5 shows the pernicious influence of that.

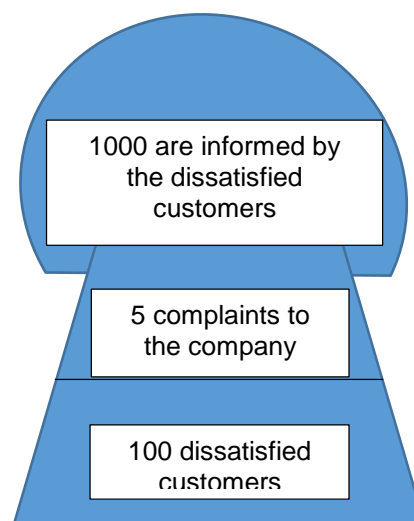


Figure 5. Negative influence of dissatisfied customers

2.6 Factors affecting customer satisfaction

Hoyer and Macinnis (2001) suggested that satisfaction can be associated with feelings of acceptance, happiness, relief, excitement, and delight. Hence, there are many factors that affect customer satisfaction.

According to Hokanson (1995), these factors comprise friendly employees, courteous employees, knowledgeable employees, helpful employees, accuracy of billing, billing timeliness, competitive pricing, service quality, good value, billing clarity and quick service. That is illustrated in figure 6 below.



Figure 6. Factors affecting customer satisfaction

2.7 Measuring satisfaction

Bergman and Klefsjö (2010) stated that it is important to measure customer satisfaction as a total impression of a company. This is often a significant factor for how the customer will act in the future, and how he or she will spread the word about their experiences with the others.

It is vital to recognize and understand what dimensions and attributes to improve, in order to get even more delighted customers. However, if a customer has a negative impression, it is difficult to make improvement, that is why in customer surveys it is essential to measure appropriate dimensions, discuss quality and product attributes. Thus, it is important to ask how important those factors are to the customer.

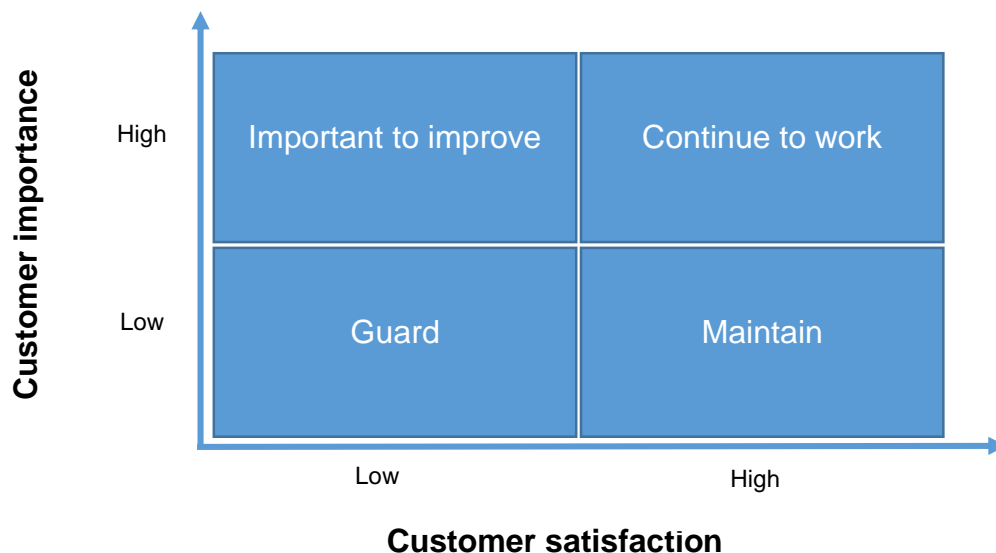


Figure 7. Customer importance and customer satisfaction

Figure 7 shows the reason to focus on improvement work on the factors that customers find important, but where the company's marks are low. In this way the limited resources would be allocated in a better way than if larger resources would be spent on factors with less importance. Nevertheless, companies need to remember that the customer needs change together with importance of different factors, consequently, over time. (Bergman & Klefsjö 2010, pp.336-337.)

2.8 Customer loyalty

According to Lucas (2012) customer loyalty is more emotional rather than a rational thing. Typically, loyalty is based on customer interest in maintaining the relationships with the company, hence, is tied on commitment and maintained through one or more positive experiences with the company.

In other words, loyalty is a term which describes intention of a customer to return and repurchase the product because of the service and satisfaction he or she has

received earlier. Trust, in that case, is a foundation for customer-company relationship, it is a key element cementing interpersonal relationships within the customer service environment. (Lucas 2012, p.334.)

Customer's loyalty is closely related to how positive the customer's experiences are. Customers who are very satisfied, at the same time are those who remain loyal to the company, while the customer who is slightly satisfied may change the company in order to find something better. Research has shown that satisfaction is an incentive to loyalty, which is shown in figure 8. Despite that fact, satisfaction is not the only factor to have an influence on loyalty. (Bergman & Klefsjö 2010, pp.345-347.)



Figure 8. Loyalty and satisfaction

2.9 Service quality

Most of the customers expect that if they pay a certain amount of money, they will receive quality product or service with an appropriate value. In case if such value or quality is not delivered, customers would simply switch to a competing company, where they can receive what they think they paid for. Expectation of quality service is an important matter nowadays, which creates a need for better-trained and better-educated customer professionals, in order to fulfil customers' needs and expectations. Customers today are not only more educated than in the past, but also

have become more informed about the price, quality and value of products and services available on the market. Therefore, organizations have to continually prove the worthiness of their products and services, and provide customer satisfaction or face customer churn. (Lucas 2012, pp.25-26.)

If a restaurant has met or exceeded customers' expectations, then the customer will feel satisfied and feel that they receive "quality". However, if a restaurant does not meet the expectations of a customer, and there is a gap between perceived characteristics and customers' expectations the quality has not been provided. The meal experience consists of the food itself, the service, and partly environment. That is why one way to look at these characteristics is to categorize them in a combination of tangible and intangible elements of a product or service matrix. (Davis, Lockwood, Pantelidis & Alcott 2008, pp.372-373.)

It is essential to understand that both product and service have tangible and intangible elements which have a great impact on customer's experience and overall level of satisfaction.

Therefore, it means that quality exists at any level and stage of a service; features affecting the quality of the experience are summarized in figure 9.

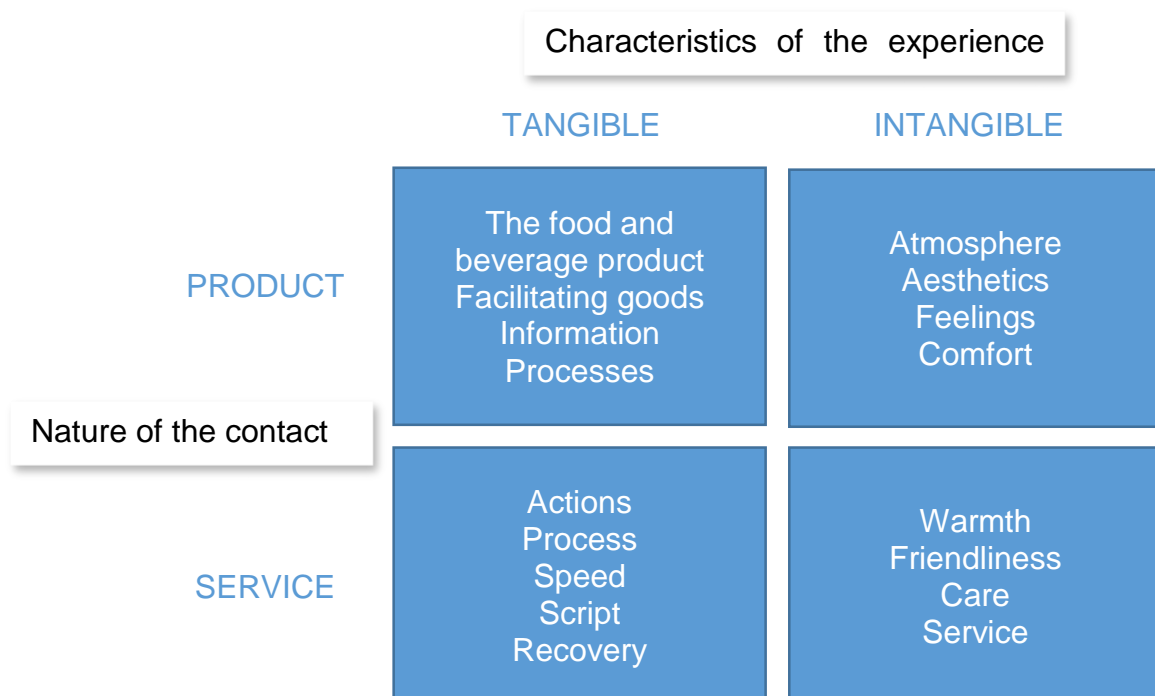


Figure 9. The product/service matrix

2.10 Customer feedback system (CFS)

“Customer feedback can be systematically collected, analyzed, and disseminated via an institutionalized customer feedback system (CFS) to achieve customer-driven learning and service improvements” (Lovelock & Wirtz 2011, p 409). Information collected through CFS is coming straight from the external customers concerning satisfaction and dissatisfaction they feel with company’s products and services.

Such data is a very valuable resource for the organization, it is meaningful for assessment of service quality and performance. Moreover, it reinforces customer-driven learning and contributes to consistent improvement in business operations.

According to Lovelock and Wirtz (2011), there are several typically used feedback tools, which have different strengths and weaknesses depending on the nature of a business field. Thus, it is crucial to select the mix of customer feedback collection tools that will simultaneously deliver the needed information. Within the restaurant industry, key customer feedback collection tools are: service feedback cards, mystery shopping, relationship surveys, customer satisfaction surveys and received unsolicited customer feedback.

Feedback cards are an inexpensive and powerful tool that gains customer’s perception right after the service encounter. It is a good indicator of process quality and overall performance, but those customers who are delighted or dissatisfied are more likely to be overrepresented among the respondents. Mystery shopping is used to determine if a service sequence and product quality is up to specific standard, this tool is commonly utilized within restaurant chains to upkeep the brand reputation.

Relationship surveys are aimed to maintain communication with regular customers and identify their wishes and opinions related to company’s products and services, considering that existing customers are a very valuable group of customers which deserve closer attention. Customer satisfaction surveys are executed periodically among randomly chosen external customers of a restaurant. Surveys focus on the overall level of customer satisfaction and intend to determine incipient problems within the restaurant processes. Gathered results are compared systematically and occur to be a reliable source for imperative and necessary management decisions.

Unsolicited customer feedback includes complaints, compliments, and suggestions received from customers who have recently visited and experienced restaurant services. This flow of information could highlight improvements needed, help monitor quality, and consists of detailed feedback on what makes customers unhappy or what delights them.

3 Research methodology

Marketing research is the systematic design, collection, analysis, and reporting of data relevant to specific marketing situation for an organization. The research is used in a wide scope of situations, for instance it can help marketers understand customer satisfaction and purchase behaviour. (Kotler & Armstrong 2008, p.100)

This part of the thesis exposes research method employed in the study, therefore, different methods are described in details and compared to each other. The author clarifies the research process and its steps. Moreover, the author elaborates questionnaire content and reliability and validity of the whole research.

3.1 Research process

According to Kotler et al. (2009) an effective marketing research follows six steps shown in figure 10.

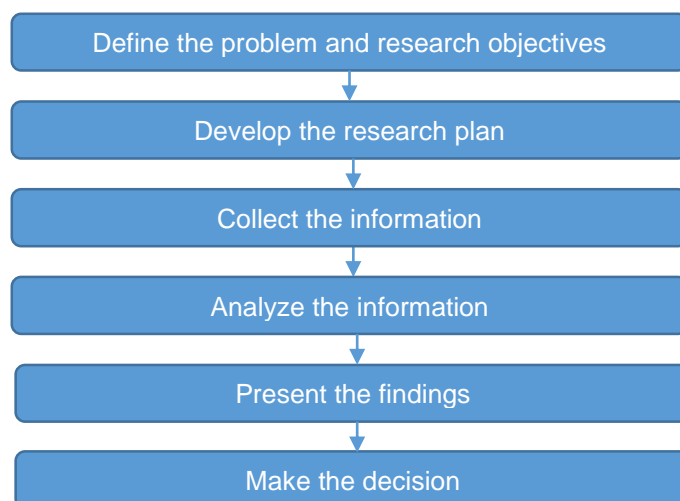


Figure 10. The marketing research process

Regarding this thesis, research questions imply: customer satisfaction and possible ways of its improvement, service quality, and overall performance. As it was mentioned before, the research objectives are to measure customer satisfaction

level, and thus identify and suggest solutions to service gaps and incipient problems in working processes.

Research plan has been evolved by the author during the planning stage of the thesis process. It compiles the required steps for accomplishing the research process and achievement of prospective results.

Theoretical material was reviewed carefully, and gathered knowledge was conducive to the author to proceed to the next stage. The author designed a questionnaire appropriate for the survey and started collecting primary data.

Eventually, harvested data was analyzed and interpreted. The author summarized the final results of the research and presented them in a form of suggestions and conclusions elaborated for the partnering company.

3.2 Qualitative and quantitative research designs

Malhotra and Peterson (2006) in their book define qualitative research as “An unstructured, exploratory research methodology based on small samples that provides insights and understanding of the problem setting”, and quantitative research as “A research methodology that seeks to quantify the data and typically applies some form of statistical analysis.”

A quantitative approach is the one in which researcher primarily uses post-positivist claims for developing decisive knowledge (i.e., test of the theories, cause and effect thinking, reduction to specific questions, hypothesis and other variables, use of measurement and observation), and utilises strategies of inquiry like experiments and surveys to collect information that yield statistical data. However, qualitative approach is the one in which investigator makes knowledge based on constructivist perspectives (i.e., intention to develop theories or patterns, various meaning of individual experiences), and collects open-ended data, with the fundamental significance to cultivate themes from the data. (Creswell 2003, p.18.)

Quantitative approach aims to detect how one variable affects another in the whole population, by quantifying the relationships between those variable that are measured. In contrast, qualitative research aims to establish an understanding of the context in which phenomena and behaviours take place. (Altinay & Paraskevas 2008, p.75.)

	Qualitative research	Quantitative research
Objective /Purpose	<ul style="list-style-type: none"> • To gain an understanding of underlying reasons and motivations • To provide insights into the setting of a problem, generating ideas and/or hypotheses for later quantitative research • To uncover prevalent trends in thought and opinion 	<ul style="list-style-type: none"> • To quantify data and generalize results from a sample to the population of interest • To measure the incidence of various views and opinions in a chosen sample • Sometimes followed by qualitative research which is used to explore some findings further
Sample	Small, non-probability samples; where findings are generally not representative of the universe study	Large, probability samples. If the data collection instruments are valid and reliable, the result can be viewed as representative of the universe.
Data collection	Unstructured or semi-structured techniques e.g. focus groups and depth interviews	Survey questionnaires including attitude scales and questions that are not disguised. Observation of consumers, experimentation, and consumer panels are other methods
Data analysis	Non-statistical. The analysis is performed by skilled behavioral science researchers.	After data is collected, it is coded and entered in the database. The researcher analyses the data, using a variety of statistical methods of analysis.
Outcome	Exploratory and/or investigative. Findings are not conclusive and cannot be used to make generalizations about the population of interest. Develop an initial understanding and sound base for further decision making.	Findings are conclusive and usually descriptive in nature.

Table 1. A Comparison of the Elements of Qualitative and Quantitative Research designs

Table 1 clearly demonstrates the distinctions between two approaches, their research instruments, sampling plans, purposes, and outcomes. It is significant to distinct these approaches and utilize both of them consistently.

However, it is common for marketing researchers to combine both qualitative and quantitative approaches, so the research produces richer and more robust results than either research approach alone. For instance, qualitative research findings could be used to discover new ideas and to develop new strategies or offerings, and quantitative research findings could estimate the extent or number of consumers who react in a specific way. In other words, ideas stemming from qualitative research are tested empirically through quantitative studies. (Schiffman, Kanuk & Wisenblit 2010, p.64.)

3.3 Research approach

3.3.1 Sample

Kotler & Armstrong (2008) defined a sample as a segment of the population, which has been selected for the marketing research, to represent the population as a whole. The sample should be representative, so the researcher can make accurate evaluation of the thoughts and behaviours of the larger population.

In this study the population appear to consist of all external customers of the restaurant Classic Pizza Saimaa. The author used a simple random sample, meaning that every member of the population has an equal chance of being selected in the sample.

For a descriptive and an exploratory survey, Davies (2007) suggested that a sample in a range of 60-120 is normal for student projects. The final number of respondents of a survey was 100, thus, making the results of the research to be relevant and sufficient for this study.

3.3.2 Questionnaire

Questionnaires are the most popular method of collecting data among hospitality researchers. After research questions have been stated, a list of variables could be composed based on the research questions. Thus, researcher can define which data is needed to measure determined variables, and design the content according to requirements of the research. (Punch 2003, p.30.)

A questionnaire consists of a set of questions, which are presented to respondents. It is important to develop the questionnaire design and content carefully. The form, question sequence, and wording can all influence the response, that is why questionnaires have to be tested before distributing them on the larger scale. There are several types of questions which can be used within the questionnaires. Most common are closed questions, which specify all the possible answers and provide responses that are easier to interpret and tabulate, and open-ended questions, which allow respondents to answer freely in their own words, but require more effort and resources at the analysing stage. (Kotler & Armstrong 2009, p.198.)

The questionnaire for the research contains two major parts that were designed in accordance with the requirements of the management team of the company and with theoretical review.

Considering the fact that such survey was carried out first time in the restaurant, the form and content of the questionnaire were experimental and provided fundamental attainments for subsequent future surveys.

The first part referred to quality measurements of determined variables, while the second part aimed to measure the importance of underlined attributes for the customers. Closed questions were utilized in the research, specifically, rating scale, Likert scale, and importance scale. Section with "Additional comments" was an exception, which allowed participants freely express other opinions related to their visit to the restaurant.

3.3.3 Data collection and analysis

Secondary data provides a good starting point for the study and usually helps to determine research problems and objectives. However, every company has to collect primary data for a specific purpose or specific research project to get definite, complete and reliable data to analyse. It is significant to take great care, while collecting primary data, because it has to be relevant, accurate, current, and unbiased. (Kotler & Armstrong 2008, p.103.)

The primary data for the research was collected within the period of four weeks, namely weeks 42-45 of year 2017. Questionnaires were distributed among the customers of the restaurant. Participants of the survey comprise representatives from both largest customer segments of the establishment: Russian tourists and local travelers.

The respondents were not forced to participate in the survey, and answered the questions on their own behalf, expressing own opinions. The spoiled questionnaire forms were not taken into consideration.

Once the data was collected, it was prepared before entering into the computer. All the responses were proof-read by the author, in order to detect unclear answers, responses where respondent answered more than one alternative, and missing answers. Afterwards, clear data was input into the computer for electronic processing. Author used Microsoft Office Excel to create a database and proceed to statistical analysis.

3.3.4 Reliability and validity

Punch (2003) deemed that quality of data needs to be set against quantity of data. This statement reflects reality, thus, quality of the data is crucial for the successful implementation of the research.

It is important to increase the credibility of the study. Reliability and validity are two quality criteria of the survey research that are of great importance. Every researcher has to understand the meaning of these characteristics and admit their significance.

Generally, reliability means stability of response. If the respondents answer same questions in the same way when next survey is carried out, the questions provide data with high reliability. Validity means that the responses represent research questions and really measure the determined variables. (Punch 2003, p.42.)

Reliability can be defined as the degree to which the data collection method will generate compatible results, so similar observations could be made or deductions reached by other researchers. If respondent answer the same question at different times alike, the results are repeatable and the data collection method is reliable. Validity is defined as the extent to which the data collection method correctly measures, what it is expected to measure and research findings are really about what they assert to be about. (Altinay & Paraskevas 2008, p.130.)

Reliability and validity of the research rely on a well-structured and substantive questionnaire. Respondents could misunderstand the questions, and choose the answers which differ from their real opinion. Thereby, that is one of the key factors, that could have pernicious effect on the results.

Another important issue is careless and inappropriate design of the questionnaire. For instance, monitored variables do not support the research questions and applied measure scales are not suitable for the methodology of the survey.

Thus, with the help of gained theoretical knowledge and real-life practices, author took into account possible difficulties and measurement errors, while designing the questionnaire. All the defined variables are considered by researchers to be essential and meaningful for customer experience, thus having a great influence on overall level of satisfaction. Importance of each measured variable was tested and confirmed through the second part of the questionnaire.

4 Empirical study

This part of the thesis refers to the empirical part of the research. It includes: brief presentation of the partnering company, interpretation of the harvested data, statistical analysis of the data, and visual evidence. Therefore, all the results concerning the outlined variables were described in details, allowing author to proceed to the next stage and draw logical conclusions and recommendations.

4.1 Classic Pizza Saimaa in brief

Classic Pizza Restaurant is Finland's leading gourmet pizza restaurant chain, priding itself its high quality pizzas and ingredients, while offering everyday luxury experience to its customers. Organization has recently celebrated its 20th anniversary, while the first restaurant was opened in Hanko back in 1996. Classic Pizza Restaurant has received various food magazine prizes, including Gloria Ruoka & Viini's (respected Finnish food & wine magazine) prize for Finland's best pizza, and in the future it plans to grow the number of its restaurants with approximately four restaurants per year. Classic Pizza Restaurant chain employs from sixty to one hundred fifty staff members depending on the season.

Currently, restaurant chain consists of twelve restaurants situated across Finland. Classic Pizza Saimaa was opened in February 2016, and it is operated on a franchising basis. Holiday Club Resorts is the franchise operator and direct owner. The restaurant is located in the Holiday Club Saimaa's premises and opened to both the resort customers - families, tourists and also local inhabitants. During the first

year of operation, the restaurant has been exceeding expectations, and net sales were one of the highest compared to other members of the restaurant chain.

4.2 Research findings

The research questionnaire consisted of twelve questions, six of them were designated to measure quality of predetermined variables (Atmosphere/Interior, Cleanliness, Service, Staff competence, Food and drinks, Value for money), five of them were aimed to identify and indicate the importance of those for the customers. An empty form (Additional Comments) was left for extra information related to the visit to the restaurant. Total amount of respondents was one hundred, gender distribution is demonstrated in figure 11. Obviously, female gender was a predominant with the score of 65 percent.

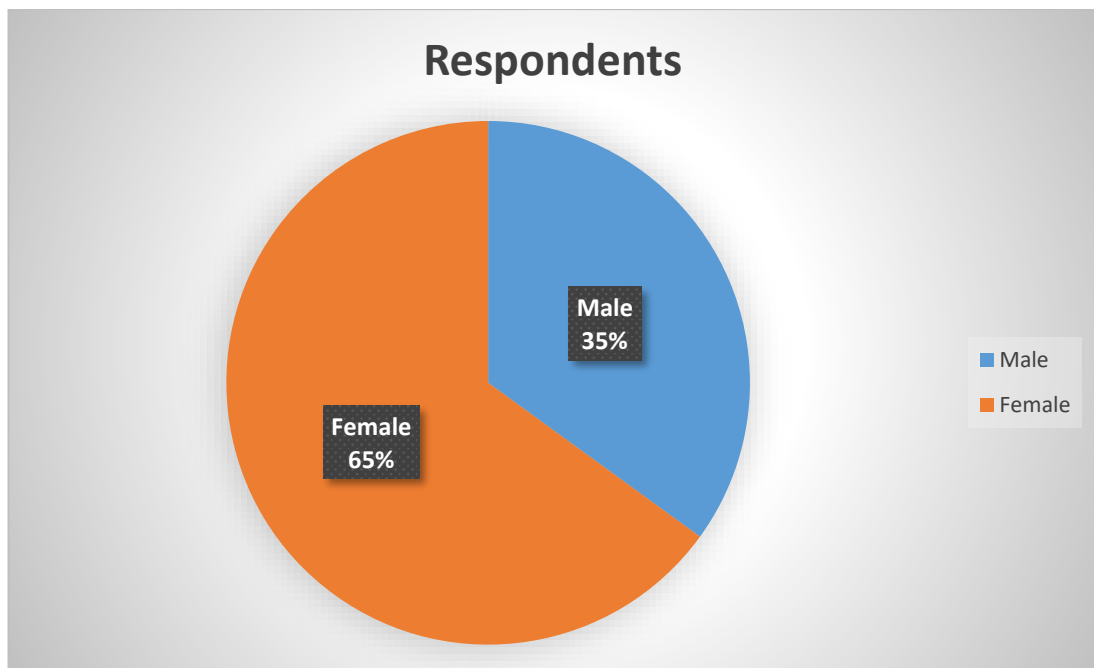


Figure 11. Gender of respondents

Age of participants is different and varies over a wide range. However, most represent the age group from thirty to forty years old. Figure 12 illustrates allocation of respondents age in details.

Finnish customers were a prevailing group of participants with a total of 82 percent, thereby, Russian customers draw up the rest 18 percent of responses. Unfortunately, no other groups of customers were among the participants.

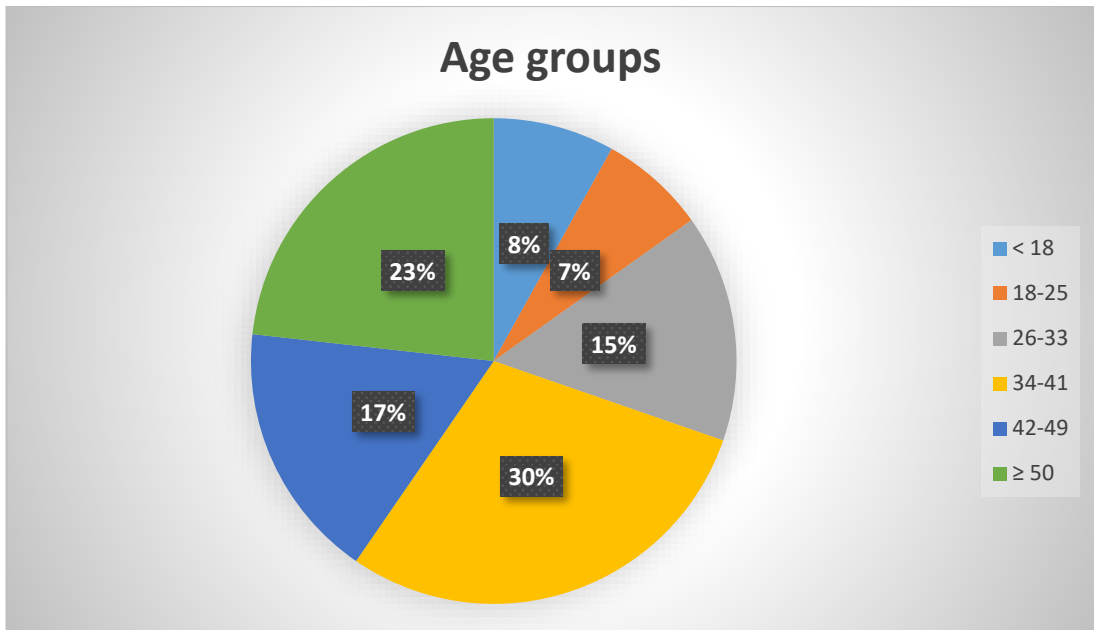


Figure 12. Age groups of respondents

4.2.1 Atmosphere/Interior

Majority of customers were pleased with unique interior and auspicious atmosphere of the restaurant. As it is shown in figure 13, responses were rather positive. Only nine percent evaluated surroundings as average, while one percent of respondents suggested a fair score.

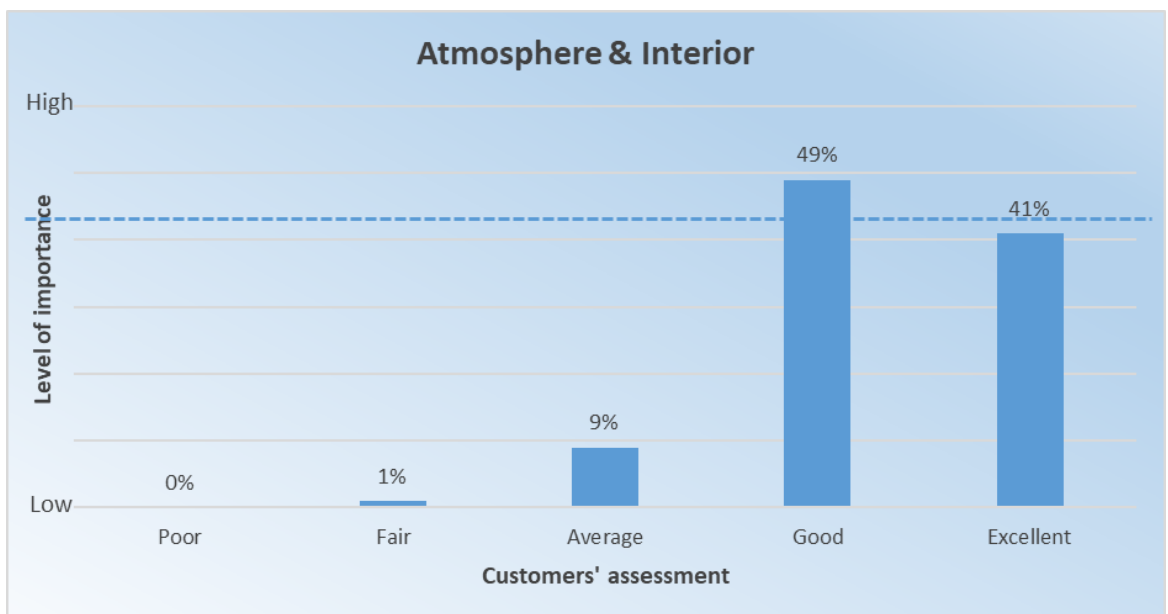


Figure 13. Atmosphere/Interior

Many respondents highlighted presence of a fish aquarium, as an advantageous part of the interior. Especially, it was a great amusement for kids, who were excited

and astonished about it. Some customers said that restaurant has a wonderful décor, enticing aromas, and they are contented to spend time in it.

Importance of this variable is relatively high, customers stated it to be a very important issue, when they choose a place to dine out. In combination with a significance of restaurant's atmosphere and interior for the customer's experience, comparatively high level of performance ensures that customers were satisfied.

4.2.2 Cleanliness

The results shown in figure 14 clearly demonstrate superior performance of the variable. More than half of the participants ranked cleanliness as excellent, while 40 percent evaluated it as good. Thus, only five percent of answers referred to the average condition of the restaurant's neatness.

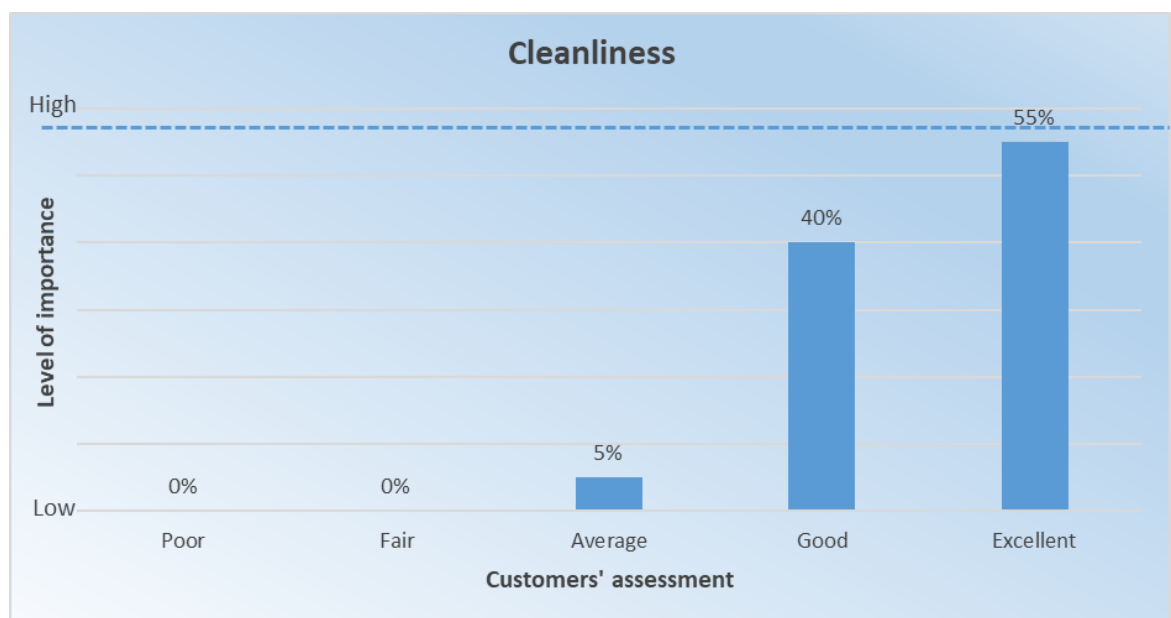


Figure 14. Cleanliness

Customers expressed that tidiness of the dining area is extremely important, and it effects their overall experience of the restaurant. Hence, respondents are very satisfied according to the results, and moreover, they underlined the importance of the variable with a great assurance.

4.2.3 Service

The importance of the service quality for the customers was confirmed by the conducted survey. Participants defined it as a very important factor, and rated it correspondingly.

Majority of responses were strongly positive and stated that service quality is excellent and good. However, there were few respondents, who indicated their dissatisfaction with the service and gave it an average score. More detailed explanation would be revealed in the conclusive part of the thesis, because customers pointed out the reasons of dissatisfaction within the “Additional Comments” form. Figure 15 clearly illustrates gathered results.

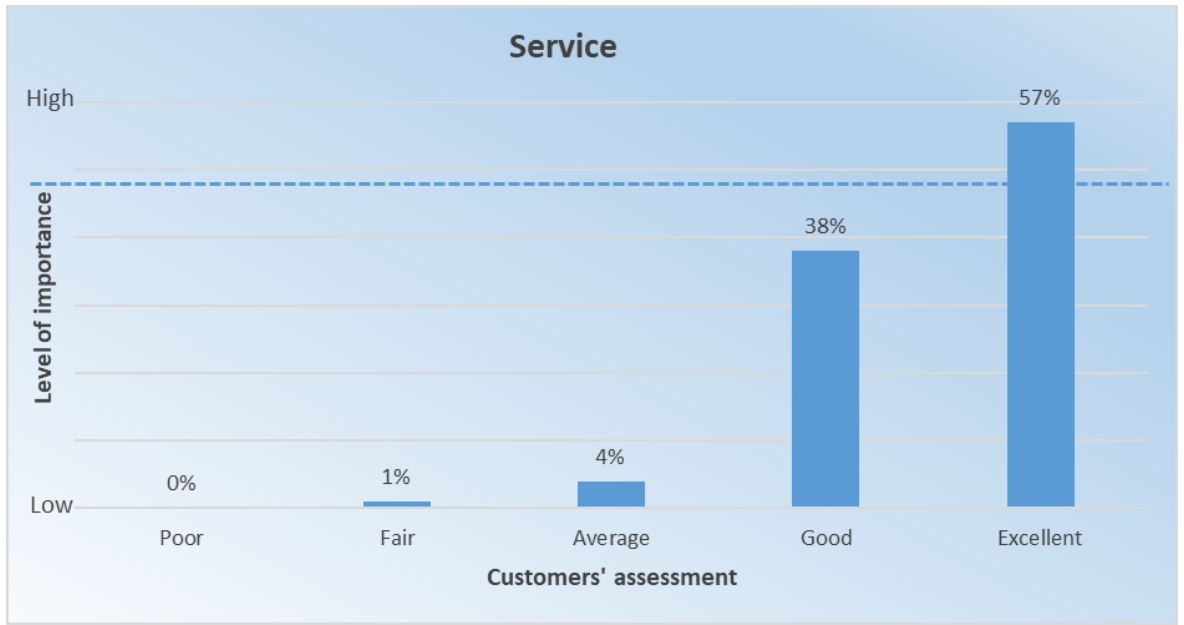


Figure 15. Service

4.2.4 Staff competence



Figure 16. Staff Competence

The research recognized that personnel's competency affects customer experience and level of satisfaction. Respondents evaluated the variable as very important, and emphasized an excellent performance. In figure 16, the results of the variable are shown.

Some of the survey participants stressed the importance and the performance of staff in giving advice and suggestions from the menu to the customers. Moreover, personnel's knowledge related to specific diets and allergies, was extremely helpful for the guests.

4.2.5 Food and Drinks

The survey identified that according to the answers, the quality of physical goods of the restaurant is the most important factor affecting customer satisfaction. In spite of relatively positive responses, customers exposed the greatest number of ambiguous attitudes regarding that variable. Figure 17 shows how majority of respondents gave excellent and good scores, six percent were not satisfied with the quality and one percent was dissatisfied.

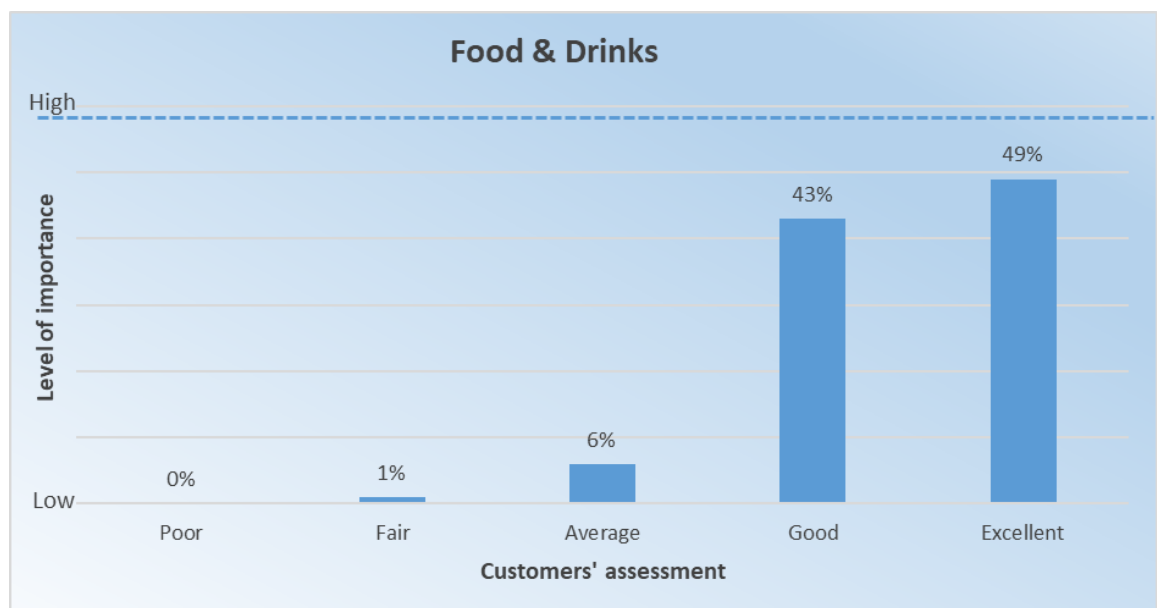


Figure 17. Food/Drinks

Customers' perspectives were different concerning both the quality and the appearance. Survey participants provided a sufficient number of written complaints describing the encountered inconveniences or problems. However, decent positive feedback revealed advantages of foods and beverages that are served in the restaurant.

4.2.6 Value for money

The research pointed up that the value, which customers expect to receive in exchange for material resources is fair and satisfying most of the respondents. The significance of this variable is the lowest among the others, however, it still remains on the average level.

Almost half of the respondents gave an excellent score as illustrated in figure 18. However, quite a big part of responses indicated the moderate score. Roughly twenty percent of participants were moderately satisfied.

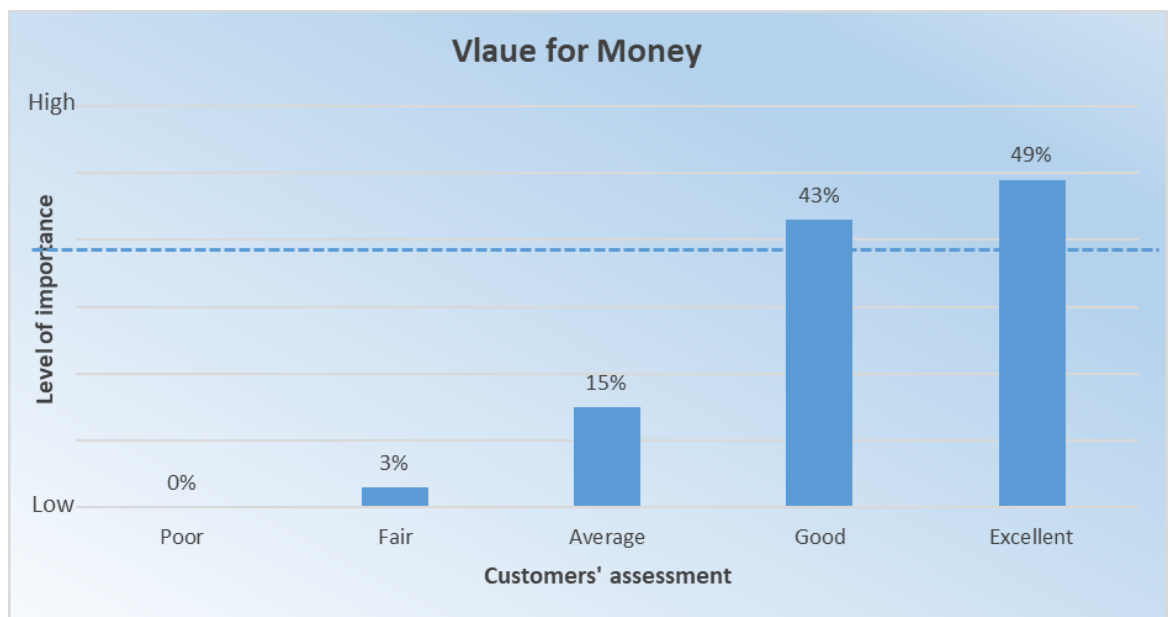


Figure 18. Value for money

5 Conclusions and recommendations

The thesis process was structured on the idea of the elaboration of the feedback system with the external customers in the restaurant Classic Pizza Saimaa. Aforesaid system expansion implied conducting of the customer satisfaction survey, which in terms helped to identify and investigate the factors affecting customers' positive or negative experiences with the company and assisted in measuring the current level of customer satisfaction.

The research shows that customers were satisfied with the services and products of the restaurant. Furthermore, a few respondents were very satisfied or even delighted. In spite of the overall positive level, customers who were moderately

satisfied exposed the issues behind their imperfect experience, which are also important to mention.

Accomplished work allowed author to draw following conclusions and formulate suggestions for the partnering company. The concept of the restaurant is promising and appealing to customers. It combines unique design, high-quality products, professional service, and relaxing atmosphere. The restaurant chain has a good reputation and already has its loyal audience, which evolves quite steadily. The company knows its customers and tries to fulfill all their needs, establish loyalty between company and the customer, and reduce the customer churn.

Customers were pleased with the wide selection of menu, wine list, and especially with the option of a salad or pizza that allows them personally choose what ingredients to add. Guests underlined presence of specific house Champagne R&L Legras as a great surprise, which they would rather experience again. Auspicious and luxurious atmosphere together with unique interior were conducive to customer's positive emotional responses. Moreover, majority of respondents indicated the personnel to be professional and really helpful.

People expressed both negative and positive opinions on physical appearance and palatability of the restaurant products. However, overall performance of this variable is close to excellent. According to the research results, the quality of food and beverages was the most important factor affecting customer satisfaction. Thus, customer perceptions and attitudes are really sensitive even to minor changes of quality level, that lead to imperfect experience and even dissatisfaction.

Author suggests to maintain the quality on the current level, and recommends to ensure that every customer receives proper service and is treated correctly. Personnel has to support the customers' journey from the very beginning and provide maximum effort and attention in making them satisfied.

The second important factor affecting satisfaction that research indicated was cleanliness. The results were satisfactory. Author recommends to keep up neat and clean condition of both back and front of the restaurant.

Service quality was determined as the third important factor affecting customer satisfaction. Some respondents experienced impolite and arrogant service, other had to experience inconvenient touchpoint while entering the restaurant because of

the waiting time, while another customer had mentioned that the service was edgy and subordinate.

Author suggests additional trainings for the personnel in order to stimulate enhancement of communication skills, complaint management skills, and problem-solving skills. Moreover, author recommends to conduct customer satisfaction surveys on a regular basis and merge the data from the use of all available feedback collecting tools. That would allow to monitor performance and efficiency of the working processes and would help identify service gaps and problematic issues that the restaurant or customers have to deal with. Better to understand one's customer and thus be able to build a stronger relationship.

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Appendices

Appendix 1. Questionnaire form (English version)

Appendix 2. Questionnaire form (Finnish version)

Appendix 3. Questionnaire form (Russian version)

Appendix 1. Questionnaire form (English version)

Gender: Male Female

Age: < 18 18-25 26-33

34-41 42-49 ≥ 50

Please rate the quality of following attributes according to your opinion and tick the circle(x).

1	2	3	4	5
Poor	Fair	Average	Good	Excellent

1 2 3 4 5

Atmosphere / Interior

Cleanliness

Service

Staff Competence

Food and Drinks

Value for Money

Additional Comments _____

Dear Guest!

Thank you for spending your free time at Classic Pizza, we hope you have enjoyed your visit. We would sincerely appreciate if you could spend few more moments and participate in a satisfaction survey, because your opinion is important to us. This survey is part of a bachelors' thesis to be submitted in Saimaa University of Applied Sciences. The study focuses on an overall level of customer satisfaction in a restaurant Classic Pizza Saimaa. The outcomes of the research are going to be used for development purposes. All the responses would be treated confidentially.

If you have any questions related to this survey, do not hesitate to contact the person in charge of the survey by e-mail.

Evgenii Priuttc

E-mail: evgenii.priuttc@student.saimia.fi

Please read the following statements and questions and express your opinion, tick the circle(x) with the appropriate answer on the scale.

Atmosphere and interior of a restaurant plays a significant role when I choose a place to dine out.

Strongly disagree Disagree Undecided Agree Strongly agree

Quality of received food and beverages has a great impact on my decision whether to visit the restaurant again or not.

Strongly disagree Disagree Undecided Agree Strongly agree

Well-cleaned and neat dining room has a great effect on my overall experience during the visit.

Strongly disagree Disagree Undecided Agree Strongly agree

How important is a professional and a timely service for the pleasant time-passing within a restaurant?

Not important Moderately important Important Very important Extremely important

How important is a matter of a value which you get in return for your material means?

Not important Moderately important Important Very important Extremely important

Appendix 2. Questionnaire form (Finnish version)

Sukupuoli: Mies Nainen

Ikä: < 18 18-25 26-33

34-41 42-49 ≥ 50

Kerro meille mielipiteesi palvelun laadusta ja ravintolan ilmapiiristä rastittamalla mieleisesi vaihtoehto.

1	2	3	4	5
Huono	Välttävä	Keskitasoa	Hyvä	Erinomainen

1 2 3 4 5

Ravintolan ilmapiiri

Siisteys

Palvelun laatu

Henkilökunnan pätevyys

Ruoan ja juoman laatu

Ruoan vastine rahoille

Vapaa kommentointi: _____

Valitse alla olevista vaihtoehdoista rastittaen mieleisesi, ja kerro meille, mitkä asiat vaikuttavat ravintola tottumuksiisi.

Ravintolan ilmapiiri on isossa osassa valitessani ravintolaa syödessäni ulkona.

Täysin eri mieltä Eri mieltä En osaa sanoa Samaa mieltä Täysin samaa mieltä

Ruoan ja juoman laadulla on suuri vaikutus siihen, vierailenko ravintolassa uudestaan.

Täysin eri mieltä Eri mieltä En osaa sanoa Samaa mieltä Täysin samaa mieltä

Siistinä pidetyllä ravintolalla on suuri vaikutus mielipiteeseeni ravintolasta.

Täysin eri mieltä Eri mieltä En osaa sanoa Samaa mieltä Täysin samaa mieltä

Kuinka tärkeänä pidät ammattimaisesti toimivaa henkilökuntaa viettäessäsi viihtyisää aikaa ravintolassa?

Ei ollenkaan tärkeää Kohtalaisen tärkeää Tärkeää Erittäin tärkeää Äärimmäisen tärkeää

Kuinka tärkeänä koet hinnan suhteen saamaasi tuotteen laatuun?

Ei ollenkaan tärkeää Kohtalaisen tärkeää Tärkeää Erittäin tärkeää Äärimmäisen tärkeää

Arvoisa asiakas!

Kiitämme käynnistäne Classic Pizza Restaurantissa ja toivomme että viihdytte käynnilläänne. Arvostaisimme suuresti jos voisitte käyttää pienen hetken osallistuaksenne asiakastytyväisyyskyselymme. Tämä tutkimus on osa Saimaan ammattikorkeakoulussa suoritettavaa opinnäytetyötä. Tutkimus keskittyy asiakkaiden yleiseen asiakastytyväisyyteen Classic Pizza Restaurantissa. Vastausten tuloksia tullaan käyttämään ravintolan kehittämistarkoitukseen. Kaikki vastaukset käsitellään luottamuksellisesti.

Jos teillä ilmenee kysymyksiä kyselyyn liittyen, ottakaa rohkeasti yhteys kyselyn yhteyshenkilöön sähköpostitse.

Evgenii Priuttc

E-mail: evgenii.priuttc@student.saimia.fi

Appendix 3. Questionnaire form (Russian version)

Пол: М Ж

Возраст: < 18 18-25 26-33

34-41 42-49 ≥ 50

Пожалуйста оцените следующие атрибуты, и в соответствии с вашим мнением отметьте подходящий вариант(х).

1	2	3	4	5
Крайне плохо	Плохо	Средне	Хорошо	Отлично

1 2 3 4 5

Атмосфера / Интерьер

Чистота

Сервис

Обслуживающий персонал

Еда и Напитки

Цена-Качество

Комментарии _____

Уважаемый Гость!

Огромное спасибо вам за то, что вы провели ваше свободное время с рестораном Classic Pizza, мы надеемся вы остались довольны вашим визитом. Мы будем вам искренне благодарны, если вы проведете с нами еще пару минут и поучаствуете в нашем опросе удовлетворенности клиентов, потому что ваше мнение очень важно для нас. Этот опрос является частью дипломной работы студента из Университета Прикладных Наук Saimaa. Данная дипломная работа фокусируется на общем уровне удовлетворенности клиентов в ресторане Classic Pizza Saimaa. Результаты исследования будут использоваться в целях развития ресторана, все ответы будут обрабатываться конфиденциально.

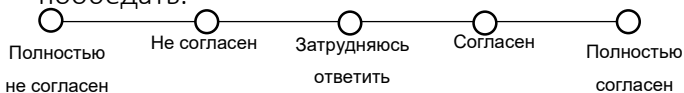
Если у вас возникли вопросы или комментарии к данному опросу, просим вас обращаться к ответственному лицу по электронной почте.

Евгений Прютц

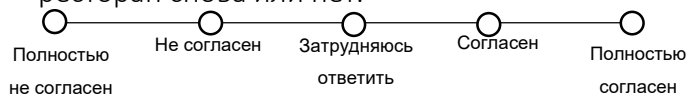
evgenii.priuttc@student.saimia.fi

Пожалуйста ознакомьтесь со следующими утверждениями и вопросами, затем основываясь на собственном мнении отметьте круг(х) с подходящим вариантом ответа на шкале.

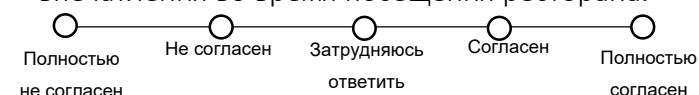
Атмосфера и интерьер ресторана играют значительную роль, когда я выбираю место пообедать.



Качество полученных блюд и напитков напрямую влияет на мое возможное желание посетить данный ресторан снова или нет.



Аккуратный и хорошо убранный обеденный зал оказывает существенное воздействие на мои впечатления во время посещения ресторана.



Насколько важным является профессиональное и своевременное обслуживание для вашего приятного времяпрепровождения в ресторане?



Насколько важным для вас является соотношение цена-качество в ресторане?

