German full-service Restaurants:

Do they satisfy customers' expectations?

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Standardising service processes is a lot more challenging than standardising a product. The more knowledge a company possess on their products and services, combined with the actual market situation and the knowledge of their customers' expectations, the more successful a company can be.

In this thesis the author analyses what a successful restaurant should know about their customers in order to implement a whole new understanding of their expectations and therefore be successful in today`s highly competitive market.

Customer relationship management is an opportunity to build an effective working environment for a company.

The theory of this thesis describs how a company, in this case a restaurant, creates a customer focus by working on the intangible, customer expectation of service. Furthermore, it discusses how a company can gain customer satisfaction and the importance of its impact on retaining customers.

This thesis aims to develop strategies on how companies can work towards meeting customer expectations in their businesses.

In order to present practical results, the author concludes with a quantitative research of close ended questions.

The focus of the questionnaire was to analyse customer experiences at full service restaurant stays and identify factors which had a positive effect as apposed to factors that would require significant change to enhance experience.

Keywords
Full-Service Restaurants, Customers' Expectation, Customer Satisfaction, Customer Relationship Management, Communication

Table of contents

1 Introduction

The topic of this thesis is; Full-service restaurants in Germany: Do they satisfy customer expectations?

The aim of this research is to understand how a full-service restaurant can provide high quality products and services to be successful, by understanding customer's expectations.

The author first presents the restaurant industry in Germany, explaining what a full-service restaurant means. The author researches on what a company should know about their customers, to satisfy their needs, wants and demands. Further, the author moves on to how service quality is important for the success of a restaurant and how a company can attain customer´s loyalty, by enhancing their experience at every visit.

Next the author elaborates on the differences between products and services, keeping in mind the fact that expectations differ from person to person.

Finally, the author concludes by addressing the pressing question of customer satisfaction and the views around it by several other authors.

The significance of this thesis is to prove the same with a questionnaire. After reading this thesis, restaurants will be able to understand their focus areas, build relevant strategies to enhance client experience and meet customer expectations.

The author has been focused on the food and beverage industry for years. The experiences showed that a lot of restaurants are unable to meet customer expectations as they are unaware of the clients need for an enhanced experience. With this thesis, the author would like to analyse expert opinions on customer expectations at a restaurant and provide a solution to understanding them. As the author has a dream to one day manage a own restaurant, the author decided to fire his passion by starting to understand his customers through this thesis.

Future employers and the industry in general, can be interested in this topic because it delivers a lot of answers, hints and advices on what restaurants can do to satisfy customer´s expectations and thus be more successful in the business. For that reason, this thesis is research based.

1.1 Limitations

The author wanted to analyse the fine-dining segment of a restaurant, however it is not clearly defined. In Germany, the boarder between casual dining and fine-dining is obliterated. For that reason, the author decided to open up the boarders and conduct a larger research and ask people for restaurant expectations in full-service restaurants.

Another limitation is that each person has a different satisfaction level. So, customer's expectations vary and therefore no general solution can be defined.

The restaurant industry is a very fast industry, which means expectations and demands change quickly and adaptions or improvements have to be optimized in time to be and stay successful in the industry. Stagnation means regression. Regression means losing customers.

1.2 Decision: Research Methodology

For this thesis, the quantitative research seemed to be of an advantage, because easy questions lead to a data collection which can prove if the hypotheses is right or wrong. Research findings can be gathered on simple questions allowing a wide range of the population to participate. Furthermore, the quantitative method is relatively quick and provides precise, quantitative data. The analysis then proves, less time consuming, if the hypotheses can be agreed or disagreed. It may have also a higher credibility because a significant number of people are approached.

2 Theoretical Background

The author here illustrates the theoretical background of the topic discussing the recommendations of authors and specialists in the fields. Furthermore, conclusions about the discussed topics will be made for the restaurant industry.

2.1 The Food and Beverage Industry in Germany

According to statista (statista, 2004), in 2014, there were 73919 restaurants in Germany with a total revenue of 24.4 billion Euro. Included in those figures are restaurants and system caterings. The last twelve years the revenue in the entire gastronomic sector increased constantly and in 2015 to about approximately 49 billion Euro (statista, 2014).

In Europe, Germany is the food and beverage market leader. They have diverse nutrition and are willing to react to cultural influences and current trends. The German food and beverage industry is able to satisfy consumers constantly changing demands and therefore is an important player in the industry. The population develops an awareness for healthy products not only because of the aging population, but also due to the upcoming trend to have a healthy diet. The German industry is a leader in producing organic food. They were able to increase the sale of organic food to 250% within a decade. The international market demand for safe and healthy food is steadily increasing and Germany is at the forefront to satisfy that demand (Lindel, 2014).

2.1.1 Definition of Full-Service Restaurants

Full-service restaurants serve food and beverages in dining locations. The prices can be moderate to very expensive. In full-service restaurants, there is no time pressure, guests who visit those restaurants would like to experience and enjoy their dinner (Akers, 2016).

Franchise Direct (2010) describe full-service in more detail. For them the waiter or waitress serves the food directly to the guests' table, the restaurants could also sell alcoholic beverages. Different types of restaurants could be full-service; from casual to fine dining (Franchise Direct, 2010).

2.2 Getting to Know the Own Company

The first step to know what customers need and require is to know the company itself. Reaching the status of knowing the company means revisiting, reviewing and re-examining what the company produces and provides. A company has to find the path to their customers by understanding who plays an important role in the process, how the company fits in and what do the competitors offer.

To identify customer needs a company has to understand and develop a much larger comprehension of their customers. For meeting customer needs a company does not have to change the customers, the company must develop a knowledge of their customers (Smith 2003, 5).

2.3 Creating a Customer Focus

Restaurants hold a high competitive market which is huge and still growing. Today, customers have more choices and are always searching for better services and products. For that cause, successful companies always have to know how to attract and retain customers. Companies can only reach that goal by providing customers their wants and understanding their values. Effective companies can only exist when they communicate with their customers. In this process the company has to recognize customer demands and implement appropriate actions to satisfy customer expectations. Those activities always seem to be critical, however would enable customer satisfaction and bring about a companys success (Summers 2005, 60).

It is important for a company to understand how customers view the process. Companies therefore have to take time to get to know their customers and how the customers would experience the process. Further, a company has to identify the customers' need and ensure that the customers view the process as seamless, flawless, and easy to negotiate. Smooth processes add value from the customers point of view. All in all, the examine process saves money and time because companies can easily find out if the process is satisfying their customers. For customers it is always important to understand the processes, especially in the service industry, where customers are often part of the process and where the success depends on the input of the customers. Information about customer satisfaction or if customer perceived value are valuably if they are collected from the customers perspective. The knowledge of the customers' point of view, linked with the internal processes and action plans is in the responsibility of each company (Summers 2005, 62-63).

An effective company creates an unwavering focus on customers' requirements, needs and expectations. The todays high competititive market makes it difficult for companies to be successful. A company can be steadily effective and satisfy customers expectations by implementing total quality management principles, which include a customer focused management system and a culture which aims to satisfy customers expectations from the beginning and all the times.

The business has to be build around the idea of meeting customers needs, wants, and expectations. The leadership in a company have to develop an awareness for elements which are important for their customers and with that knowledge they can implement strategic plans to ensure a customer focused management system. To reach that goal a company has to develop a precise knowledge and understanding what their customers expect. If a company wants to improve or adapt the processes because they do not satisfy customers expectations, they have to identify the gap between the recent performance and customers requirements. In this identifying process the company would have to study customers value perceptions and customer satisfaction. Through the knowledge of customer-perceived value, a company can take actions to close the gap in the future and change the processes that leads to higher customer satisfaction (Summers 2005, 63-64).

2.3.1 Basics of Customer Needs

Why do customers consume? One answer is that customers want to own products. Further, customers want to own because they want fullfillment. The basic of needs has two fundamental aspects. Firstly, customers have a deficit in their life and by consuming, the gap can be closed. So, the aim behind consuming is restoring the deficit, to feel fullfilled. Secondly, they see their purchases as an enhancement of their status. It is adding value to their living standards. In this case the deficit is not existing, they are created by imagination. Needs can consequently associated with a deficit, the wish to fill the gap and therefore to feel satisfied (Oliver 2010, 137-138).

One popular need satisfaction model is the Maslow´s needs hierarchy theory which consists of five levels of needs. The first level is psychological needs, like sustenance of the human being, food, beverages and reproductive tendencies. The second level are the safety needs like freedom of body and mind, structure and also freedom of fear. Affiliation needs is the third level in the hiearchy and means beloning, having friends, love and sexuality. Esteem needs is on one hand being confident and strong and on the other hand feeling recognized, appreciated, and prestigious. The last level is self-actualization which is the need of felling fulfilled, to be the best a person one can be (Oliver 2010, 142).

Figure 1. Maslows Need Hierachy

2.3.2 Customer´s View of Service Quality

First of all, it has to be said that service differs in three fundamental ways: goods in the way they are produced, consumed, and evaluated. Services are intangible because they cannot be seen as an object, they are performances and experiences. Services are immeasurable; they cannot be tested and verified beforehand so as to allowing the company to ensure that the service is of high quality. Furthermore, considering that the service is a performance, it is really complex to know how customers evaluate the delivered service. Secondly, services are heterogeneous, which means that the delivered services differ from producer to producer, from customer to customer, and from day to day.

There is a rare possibility to standardize service procedures to assure uniformity. The third difference to goods is the inseparability. During the service delivery, the quality of service occurs in the same time and this happens generally when the provider interacts with the customer. In the service industry, there is no time span between the production and the consumption (Zeithaml, Parasuraman, & Berry, 1990,15-16).

So, how can a customer decide if he or she received quality service? According to Feigenbaum (Feigenbaum in Summers 2005, 60), quality is defined as following:

> *"quality is a customer determination which is based on customers' actual experience with the product or service, measured against his or her requirements – stated or unstated, conscious or merely sensed, technically operational or entirely subjective – always representing a moving target in a competitive market."*

Consequently, this definition shows that customers can only decide by themselves if they received a quality product or service and therefore define how well the product or service met their expectations and satisfied them. Furthermore, the decision depends on current experiences, past experiences, requirements, expectations, and needs of the product and services. With that information the customer judges the value of the product and services received (Summers 2005, 60).

2.3.3   Customer´s Loyalty

In this chapter the author would like to clearify which components influence customer´s loyalty.

Customers' loyalty in general means a commitment or attachment to a brand, store manufacturer, service provider or others and can be for example a repeated use of restaurant services. For measuring customers' loyalty it is not enough to count the repeaters because it does not give any details why the company was chosen. The decision could also be based on prices, availability, good price-performance ratio and or other factors. Therefore customers' loyalty is the attitude against a company with a bahavioral response. Customers have to feel favorable against a company on which reflects their preference or commitment over time. This attitude against a company includes always an evaluation of the customer. It is a subjective feeling to a given object. For that reason companies have to understand the attitude of their customers. They have to analyse emotions attached to the customers and what customers expect from those feelings and beliefs.

Furthermore, it is useful to know that people are able to learn attitudes. A company can use that knowledge to develop attitudinal loyalty. Customers need for attitudinal loyalty can be understood through a psychological process which consists of evaluating, decision making and being aware of the product they purchase. For the emotional attitude a customer needs a predisposition and that is the most difficult part for a company (Zikmund, Mc Leod jr., & Gilbert 2003, 69-71).

2.3.4 Customer Value Definition

A company has to understand that customers make their decision for or against a product or service depending on the quality and further on the perceived value of a product or service. According to Summers (2005, 64),

> *"value is the attribute or relative worth or usefullness of a product or service, judged by a consumer each time he or she trades something of worth (usually money) in order to aquire the product or service."*

Customers view a beneficial exchange as perceiving value. Value judgments of customers are depending on their former experiences, requirements, wants, needs, and expectations. These judgments are therefore really complex. Feigenbaums' (Feigenbaum in Summers 2005, 61) definition on quality is, that customers are not able to point out their requirements, it is more a subjective interpretation. When it comes to the evaluation, the customer focusses on the performance of the product and gauge the available features.

2.3.5 Designing Meaningful Experiences

To implement meaningful experiences a company has to develop a new thinking on how to create experiences and its effect on the company and the customers. Designing here means the process or purpose of functional, economic, emotional or social benefits, which leads to changing customer values. Experiences can be perceived through marketing, interaction, and communication. When talking about designing strategies, the aim is to understand customer needs clearly and adapting their needs to products and services that are valued by the company and the customers (Diller, Nathan, & Rhea 2008, 57).

2.4   Customer Expectation of Service

According to Zeithaml, Bitner, and Gremler (2006, 81)

> *"Customer expectations are beliefs about service delivery that serve as standards or reference points against which performance is judged. Customers compare their perceptions of performance with these reference points when evaluating service quality, thorough knowledge about customers expectations is critical to services marketers."*

The most challenging task for a company is to develop the knowledge of what their customers expect to be delivered in terms of service quality. Not satisfying customers expectations can mean loosing customers to competitors who are better targeted. Furthermore, being wrong can also mean a loss of money, time and other resources because the business does not fit customer expectations.

For a succesful company, it is not enough to view expectations as reference points against which service delivery is compared as customers' expectations differentiate widely on the reference points. To comprehend, measure and manage customer expectations a company has to develop a deeper knowledge of what everyone has in their mind (Zeithaml, Bitner, & Gremler 2006, 81-82).

Customers tend to have different levels of expectations, especially about service. The highest service level can be named as "desired service" which means the customers wish and hope that the expectations will be met. The next level where customers have to understand that their hopes and wishes cannot be fullfilled is the adequate service level. Customers are willing to accept the delivered service, but it is at the minimum level of their expectations (Zeithaml, Bitner, & Gremler 2006, 83).
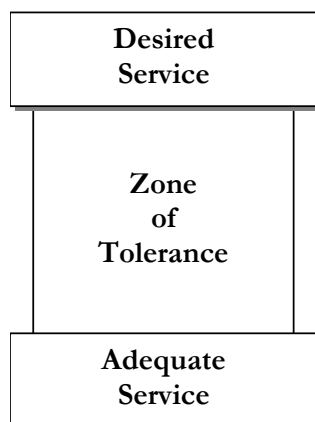

Figure 2. Expected Service Levels & Zone of Tolerance (Zeithaml, Bitner, & Gremler, 2006, 86)

Figure two shows the two levels of expectations. The idea is that there are two boundaries of customer expectations. The bottom line is the "adequate service level" and the upper line is the "desired service level". In between is the "zone of tolerance". Service is heterogeneous as already mentioned. The service performance differs across providers, employers and the employees. Within this zone of tolerance, the customers accept the level of services.

If the service drops to the bottom (adequate service level), the customers will be disappointed and unsatisfied with the performance of a company. If services exceed to the top of desired service level; they will be contented and presumably surprised. A company might view the zone of tolerance as a scope where customers do not recognize the service performance. Customers will notice the performance level only if it exceeds or dissatisfy the expectations (Zeithaml, Bitner, & Gremle 2006, 85-86).

Furthermore, customer's service expectations are not only existing for an industry, the expectation levels may vary within the same industry. Customers demand for fast-food restaurants are that they be quick, convenient, provide tasty food and have a clean setting. An expensive restaurant demands fine food, elegant surroundings, gracious employees and candlelight. So, it seems that customers have the same desired service expectations for companies in the same industry or in a subcategory. This is different to the adaquate service level. There, customers have different demands within the category or the subcategory. For example, customers have higher expectations in McDonald´s than in Burger King because they experienced a consistent service level in McDonald´s for a long time than in Burger King. Consequently, customers can be more frustrated from the service of McDonald´s than from Burger King. Furthermore, different customers have different views on zones of tolerance. Depending on the customers character, the zone of tolerance has various scopes. And the zone of tolerance is not only ranking on the customers own viewpoint, it depends also on other factors, which could include the price of the products and services. The demand increases when the price is higher and therefore decreased the limit of tolerance. Moreover the zone of tolerance depends on different service dimensions or characteristica. The zone of tolerance narrows the more important the factor for the customer. The most important factor on services is a reliable service. For that reason they have the highest expectations for that factor. But there are factors where customers are more willing to be tolerant and therefore where the zone of tolerance has more range. To sum it up, customers' expectations have two different borders. The adequate service level has a higher scope than the desired service level. Between those two level,s the zone of tolerance is situated. This zone varies depending on the customer point of view.
(Zeithaml, Bitner, & Gremler 2006, 83-87).
10

2.4.1 Sources of Desired Service Expectations

For satisfying customer expectations, companies have to identify the factors which influence customer expectations of products and services. Furthermore, they have to have control of those influencing factors. The desired service level is influenced by the customer's personal needs which are fundamental for the physical and psychological well-being and that which are shaping the customers desired service. The second influencing factor is the lasting service intensifiers which are individual, stable factors which lead to higher sensitive service expectations of the customer. In the following figure the influence factors of desired service level are shown visually (Zeithaml, Bitner, & Gremler 2006, 87-88).
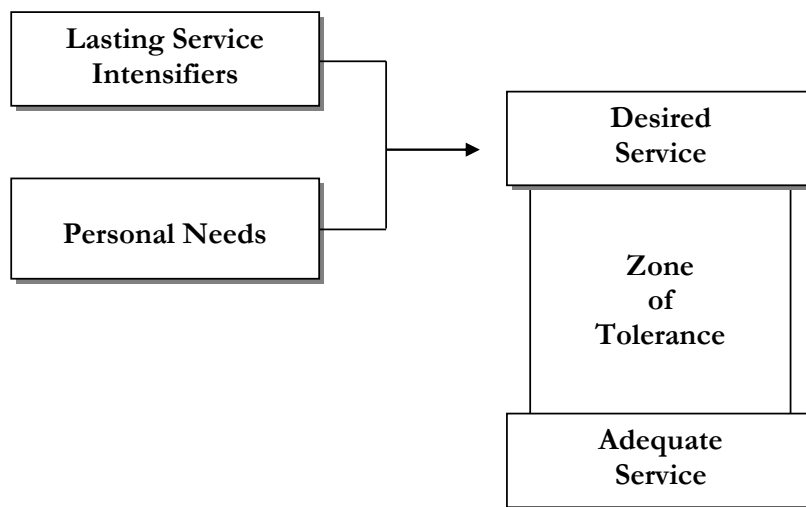
Figure 3. Factors That Influence Desired Service (Zeithaml, Bitner, & Gremler 2006, 88)

The lasting service intensifiers get influenced by the derived service expectations and the personal service philosophy. Derived service expectations occur when other people or a group of people affect customer's expectations. The personal service philosophy is a generic attitude about what a person experienced and if those experiences shaped the personal meaning of service. For instance, a former wait person has a different expectation level of the service in a restaurant than a person who never worked in that industry.

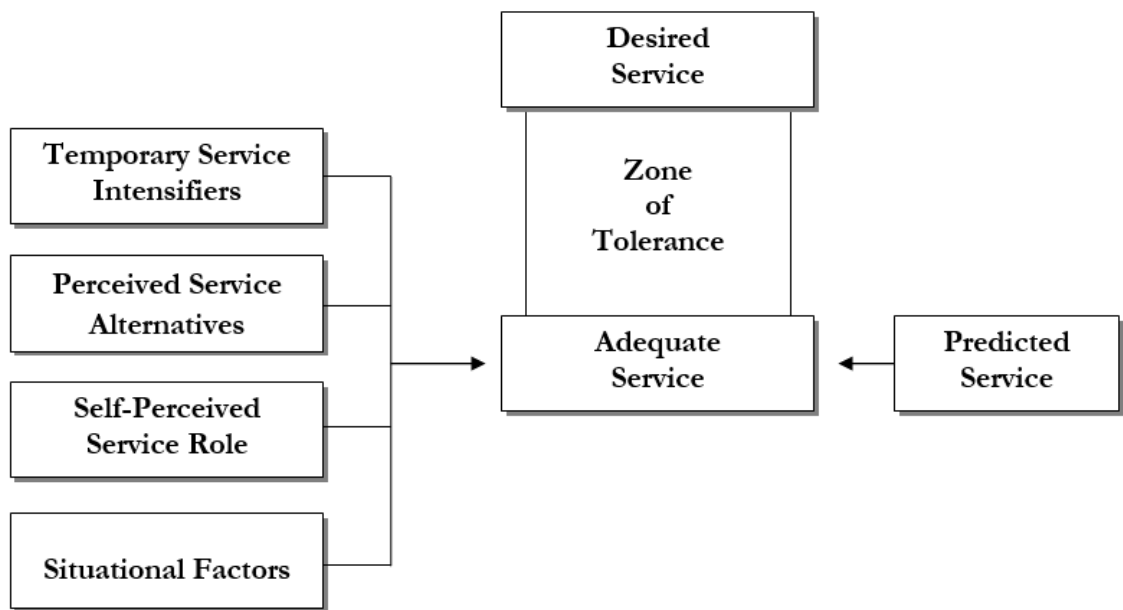### 2.4.2 Sources of Adequate Service Expectations

Figure 4. Factors That Influence Adequate Service (Zeithaml, Bitner, & Gremler 2006, 90)

As in figure four, the adequate service level is the level of service which the customers conceive as tolerable, has five different influence factors. These factors can be seen as short-term influence factors because they tend to fluctuate. The temporary service intensifiers are short-term. Individual influencing factors which depend on customers need of service. This can be for example when in an accident help is urgently needed. In this situation, the expected adequate service level raises and requires the necessary responsiveness which is viewed, therefore as acceptable. The second factor is the perceived service alternatives which are available for each customer in today's market. The more the providers are existent in a market the higher is the expected adequate service level, because customers have the ability to choose from a pool of supplier. For that reason, a company has to understand customers' possibilities and options. The third factor influencing the adequate service level, is the customers self-perceived service role. This means that customer expectations are partially defined on how well they are part of the delivered service. A customer in a restaurant has a higher expectation of a well descript cooked steak than a customer who does not know how to articulate the expectation.

Further, a customer who complains because the service delivery was dissatisfied is less tolerant than a customer who does not express dissatisfaction. Adequate service level will be also influenced by situational factors which mean that the service performance is outside the control of the service provider. For that time period, the customer's adequate service level is lower than normally.

The last factor which influences the adequate service level is the predicted service. Customers predict what will happen during the service process. If their perception is that the service will be good, their adequate service level will be higher than an expected poor service. The predicted service occurs more in individual service deliveries than in transactions with a relationship to the provider.

Desired and the adequate service levels evaluate service expectations globally and include a lot of individual service deliveries. Predicted service is the expectation of the next service a customer will receive. Consequently, predicted service is an influencer of the adequate service level (Zeithaml, Bitner, & Gremler 2006, 89-93).

2.5   Definitions of Customer Satisfaction

According to Zikmund, Mc Leod jr. and Gilbert (2003, 72),

> *"People develop beliefs about what they expect to happen before they make a choice. Customer satisfaction is a post-purchase or post-choice evaluation that results from a comparison between those pre-purchase expectations and actual performance."*

If the expectations are fulfilled, the customer feels sure and therefore satisfied. Customers who are dissatisfied tend to avoid choosing the product and services of a company, again. For that reason, companies try to measure and manage customer's satisfaction level with their product and services. Companies would like to understand the discrepancy between customer expectation and the actual performance level (Zikmund, Mc Leod jr., & Gilbert 2003, 72-73).

So how can a company satisfy customer's expectations? According to Pulido, Stone, & Strevel (2014), consistency is the secret of satisfying customers. In the high competitive market, customer strives consistency. The last experience survey of Pulido, Stone, and Strevel in America showed that it is not enough to satisfy each individual customer interaction, effective customer journeys are significant to increase customer satisfaction. The research came up with three keys for consistency. Firstly, for meeting customer-journey consistency a company cannot only meet basics, they have to have clear policies, rules, mechanisms to assure consistency in each interaction. Consistency in each level of the purchase process illustrated that consistency plays an important role for customers loyalty and the overall experience level. Secondly, the survey showed that positive emotions have a considerable impact on the satisfaction of customers.

Positive emotions in this context are encompassed with the feeling of trust. People have positive emotions when they feel close to a company and trust in them. To build long-term relationships a company has to be trustful. The third factor of consistency is the communication between the company and the customer. Especially in the delivery process a company has to repeat the promise that the decision for the customer was the right one. Of course, the company will have to fullfil the promises to reach consistency to gain customer satisfaction (Pulido, Stone, & Strevel 2014).

According to Buttle (2009, 44),

> *"Customer satisfaction is the customer´s fulfilment response to a customer experience, or some part thereof."*

Buttle views customer satisfaction with experiences and all elements which have been taken into consideration by evaluating customers' experiences. Buttle sees not only product and services as part of the satisfaction, but also processes other factors that are decisive in the customer's satisfaction level. To measure the level of satisfaction it is necessary to compare customers perception of experiences with their expectations, which is known as the expectations- disconfirmation model. If the expectations of customers, as perceived are met, they are satisfyied. When that is not the case, customers are negatively disconfirmed and therefore dissatisfied. Customers are also able to experience positive disconfirmation. That is when their perceptions exceed their expectations. Consequently, the model presume that customers have expectations and the ability to assess the performance (Buttle 2009, 44).

Oliver (2010, 3) views customer satisfaction in four different perspectives. The consumer's perspective is the goal of a consumption to feel pleasure with its experienced results. A successful satisfactory acquisition is an achievement. The customer achieved the goal to purchase in a complex market which provides the customer stability and serenity. Secondly, the firms persepective show that satisfied customers are the key to profitability. Most of the firms view a repeated purchase as fundamental for a continuing stream of profitability. Satisfyied customers have a positive effect on word of mouth and other activities like watchdog companies, who measure customer satisfaction levels over time. Thirdly, the industry perspective. The government is interested in the extension of industry satisfaction because unsatisfyied customers lead to regulation which means emerging costs. For that reason, the University of Michigan´s National Quality Research Center observes the industry satisfaction in a number of countries via its American Customer Satisfaction Index (ACSI).

Researchs from the societal perspective show that satisfied customers in a society signify better life outcomes in terms of health, social and mental adjustment, and finances. Satisfaction is the valuable aim of indivdiual members in the society (Oliver 2010, 4-5).

2.6 Acquiring, Retaining, and Growing Customers

According to Kotler (1999) the definition of marketing have to be redefined and extend to:

> *"Marketing is the science and art of finding, keeping, and growing profitable customers."* *(Kotler, 1999)*

In the above, Kotler describes how a company can find, keep and grow profitable customers. It is no longer finding new customers. In the past, companies were really excited about every new customer, but forgot their already excisting customers. This point of view has changed in today's market. The primary aim is to keep and grow already excisiting customers. In the high competitive market it is hard to attract customers, aside that it is expensive and it is much harder to keep them. The loss of a customer is not only a sold product, it represents the loss of a customers´ lifetime purchases. Furthermore, a company has to replace the loss of this customer and this is according to TARP studies, five times pricier than keeping a satisfied customer. Moreover, the new customer would need years to develop the buying behaviour like the lost customer. Consequently, companies should canvass the customers satisfaction level with the companies offered products and services and never take them for granted. Further, the company should work on the customer relationship management and listen to customers´ feedback of products and services. A successful company is not only able to find customers but have the abiliy to keep new customers (Kotler, 1999).

3   Research Methodology

The author decided for the most common form of quantitative research, the survey research in form of a questionnaire. With this tool, it is easy to collect data of a significant target group. People of the target group are representing a part of the population. The questionnaire consists of the main questions: Who, where, how much and how often. A big advantage is that a lot of respondents answer the questionnaire and therefore a lot of data can be collected and numerical results can be evaluated. Further, tables and graphs can be used to present the findings.

3.1   Customer Questionnaire

A test questionnaire was conducted with some voluntary respondents. It was proved if all the questions and statements are easy to understand and if the results deliver the needed data to examine the restaurant situation in Germany.

The questionnaire was conducted with WEBROPOL, the online service tool and the link was sent via E-Mail and distributed to different kinds of Facebook groups. Altogether, 123 guests of full-service restaurants answered the questionnaire. The questionnaire was conducted in the English language. The 123 questionnaires were chosen because all questions were answered and delivered. The questionnaire is divided into two parts. The first part addresses the respondents' in person and the second addresses their experiences, evaluation and opinion.

In the first section, question one and two refer to basic information as gender and age. To save time the questionnaire was designed to be as simple as possible and the answers were chosen to be close ended. The response options were chosen carefully. With the given information of the customer a fundamental basis is created.

In the second part of the questionnaire the author identifies restaurant visits and their experiences. Question three is a closed question. The author wants to know how often the respondent visits full-service restaurants. Question four is another closed question were the author wanted to know if there are past experiences in the evaluated restaurant. Question five is an evaluation of the satisfaction level to different kind of products and services in the full-service restaurant. In question six the author identifies with statements which can be scored with yes, no and unsure if the restaurant meets the expectation of the guest. Question seven is an open question, the respondent has to mark the evaluated restaurant.

Another open question follows in question eight where the respondent could give some suggestions to better meet the expectations. Here, the author will find some hints to better meet customer's expectation and maybe those answer will give some further research topics. The questionnaire completes with a closed question, if the respondent would visit the restaurant again.

Important information can be collected with this data. If the customer is willing to use the products and services again, the findings will help to better meet the perception maybe with the help of an action plan to fill the gaps between the restaurant and the customer.

3.2 Validity and Reliability

In general, validity and reliability refer to the quality of the collected figures as well as to the appropriateness of the research methodology used in a research (Cano 2000).

Validity relates to the strength of the inferences and conclusions drawn from the information gathered by the help of the research instrument chosen; in this case the questionnaire. According to Saunders et al. (2007, 150) it is

> *"Concerned with whether the findings are really about what they appear to be about".*

Newman & Benz (1998, 39) say

> *"If validity is confirmed, having reliability is implicit."*

To confirm validity and reliability in this research, certain steps have been done. Thus, the author payed particular attention to define the aim and purpose of this thesis, also to justify the importance of the topic. In order to define the aim of this thesis, the researcher was able to ask right research questions and therefore find suitable results.

Additionally, the author tested the usefulness of the questions carefully to make sure that the answers will provide valuable results with respect to find, if the full-service restaurant customer is able to decode the questions in the targeted way.

The author is furthermore conscious that each respondent has an individual subjective interpretation of the topic and therefore tried to be as objective as possible when interpreting the results. The number of closed questions asked in the questionnaire helped to present as little risk as possible.

4 Results

The following chapter is about presenting the findings of the research. With the help of the questionnaire, which was answered by customers who already visited a full-service restaurant, it could be proved if customers are satisfied with their restaurant stay. The aim was to find answers from different kind of customers to see if there are restaurants in Germany meet customers' expectations and therefore satisfy those expectations. In cases where the expectations were not met, the author tries to figure out which factors influenced those decisions.

All data were collected online, trying to reach younger customers to see what could be done in the future to satisfy expectations. The chapter starts providing an overview about the respondents' profile before going to the analysis of the findings.

4.1 Profile of Respondents

Altogether 123 respondents supported the questionnaire voluntarily. All respondents answered the questions anonymously and they were informed that the gathered information will be made public in the framework of this Bachelor's thesis. The following table shows the profile of the respondents referring to basic information like gender and age.

	N	Percent
Female	91	73.98%
Male	32	26.02%

Figure 5. Table of gender

From the table above, it can be seen that a major share of the respondents are female (73.98%), whereby the portion of male respondents is 26.02%. One reason of having more female answers could be that in the most representing age (18-29) females are more interested in the topic of restaurants. Another reason could be that male respondents were not reached by the questionnaire.

	N	Percent
under 18	0	0%
18 - 29	114	92.68%
30 - 45	6	4.88%
46 - 60	2	1.63%
over 60	1	0.81%

Figure 6. Table of age groups

The above table show that, a major part of the respondents is aged from 18 to 29, whereby the share of those aged between 30 to 45 and 46 to 60 years is low. The age 18 to 29 is 92.68 percent of the total number of respondents.

4.2 Presentation of the Findings

This chapter is concerning the presentation of the questionnaire's results regarding the respondent's frequency of visiting a full-service restaurant.

The answers show that most of the respondents go out for a dinner once in a month (61). This fact illustrates that 49.59% of the restaurant guests see their stay as something special, just for once in a month. Further, a noticeable part of the respondents go out for dinner once in a week (35 Respondents = 28.46%).

Those gathered information point out that there is a trend to go out for dinner, have some great experiences with products which are not produced by themselves and getting served by a waiter/waitress.

	N	Percent
Daily	2	1.63%
Several times per week	10	8.13%
Once a week	35	28.46%
Once a month	61	49.59%
Less than mentioned above	16	13.01%

Figure 7. Frequency of full-service restaurant visits

The next question is very interesting. It shows that guests tend to visit the restaurants not only for once. If they are satisfied, and most of them were, they tend to visit those restaurants again. 82.11% of the respondents had already visited the rated restaurant in the past. 106 respondents were in average 7.09 times in the evaluated restaurant.

The next question emphasizes the proposition that people visit restaurants where they feel good in and are satisfied with the price and quality ratio as well as the service.
The question after shows more detailed information on how people experience their stay in a full-service restaurant. Respondents stated with a percentage of 58.54 were satisfied with the overall atmosphere. This demonstrates that restaurants which are offering service at the table are also focussing on a moderate place to have dinner.

Just one respondent was unsatisfied and one was very unsatisfied with the atmosphere.

Furthermore, the respondents who marked neutral (14) is very low, which show that guests really consider and observe the atmosphere.

Concerning food and beverage variety and quality were the following results given. 69 of the 123 respondents were satisfied with the food variety. Only 18 answered neutral maybe because they decided very fast for a dish or specifically visited the selected restaurant due to the fact that the restaurant offers a special dish.

The food quality was rated with a percentage of 50.41% fully satisfied. So, more than a half of the respondents were absolutely satisfied with the food quality and also 38.21% were satisfied with the food quality. Only 12 respondents quoted neutral, maybe because they felt that they were not able to evaluate the served dish or they were not sure about the quality. Interesting is that, most of the respondents quoted that the quality of beverages as well as the variety of beverages were satisfying.

The next question was on how the respondent rate the service, courtesy and the communication with the waiter/waitress. The respondents were with 43.09% satisfied and 34.96% were fully satisfied. To sum it up, German restaurants which offer full-service deliver quality service.

Not only the quality service, the waiting period until first establishing contact for the questioned guests is satisfying for 43.09% and 26.02% fully satisfying. The waiting period of delivering beverage was for 63 respondents satisfying and for 32 fully satisfying. Furthermore, the kitchen stuff plus the waiter/waitress were in time by delivering the food.

61 respondents (49.59%) were satisfyied. 24 respondents were fully satisfyied. 25 respondents told neutral. Maybe they did not focused on the time or were not able to assess the time that went by.

Hard facts like the price-performance ratio for food was scored as 43.44% satisfying and with 38 respondents from 123 as fully satisfying. Interesting is the marked price-performance ratio for beverages. 40.98% are satisfied with the price-performance. 28.96% marked the statement with neutral and a notable part of 13 respondents were unsatisfied with the calculation of beverages. Most of the restaurants calculate their beverages with a higher profit margin than the food.

In the following, there is an example on how restaurants calculate their coffee price and how the difference is between food and beverages. In Germany one kilogram of average coffee beans costs 13,80€. The average weight for one cup coffee or espresso is 7grams that means there are costs only for the product 9,7cents. One cup of coffee in Germany is about 2,50€. This means they calculate with a factor of approximately 25.8. To point out the difference the following calculation show the factor for food in average.

For example, a cheeseburger has material costs of 2,45€ (beef patty=1,20€, bun=0,55€, cheese=0,20€, extras=0,50€). Usually a restaurateur uses mark-up pricing for calculating the selling price (including VAT).
In general, there is a factor of 4 which covers all accruing costs. In this example, the cheeseburger was with 9,80€ on the menu. These illustrations show that there is much more profit in beverages than in food.

	Fully satisfied	Satisfied	Neutral	Unsatisfied	Very Unsatisfied
overall atmosphere	35	72	14	1	1
	28.46%	58.54%	11.38%	0.81%	0.81%
food variety	28	69	18	8	0
	22.77%	56.1%	14.63%	6.5%	0%
food quality	62	47	12	1	1
	50.41%	38.21%	9.76%	0.81%	0.81%
beverage variety	34	63	21	5	0
	27.64%	51.22%	17.07%	4.07%	0%
beverage quality	42	61	16	4	0
	34.15%	49.59%	13.01%	3.25%	0%
stuff (service, courtesy, communication)	43	53	16	10	1
	34.96%	43.09%	13.01%	8.13%	0.81%
waiting period until the first establishing contact	32	53	25	12	1
	26.02%	43.09%	20.32%	9.76%	0.81%
waiting period of delivering beverage	32	62	22	5	2
	26.02%	50.41%	17.89%	4.06%	1.62%
waiting period of delivering food	24	61	25	12	1
	19.51%	49.59%	20.33%	9.76%	0.81%
price-perfomance ratio of food	38	53	22	9	0
	31.15%	43.44%	18.03%	7.38%	0%
price-performance ratio of beverage	21	50	35	13	3
	17.21%	40.98%	28.69%	10.66%	2.46%

Figure 8. Evaluating product and services in the chosen full-service restaurant

The next step in the questionnaire was to rate some statements about the restaurant the respondent visited and evaluated. 110 respondents felt that their expectations they experienced were fulfilled. Moreover, a percentage of 75.61% experienced the processes as smooth. 89 respondents were sure that the stuff was focused on their needs and recognized their wishes.

A significant statement was that the author wanted to know if the restaurant was a recommendation. Almost half of the respondents answered that it was a recommended restaurant. This underlines the thesis of word-to-mouth recommendation. Furthermore, review sites can be seen as important for an entrepreneur. It is not a personal recommendation but the importance a crowd of people rate a restaurant gains more importance. The last assessed statement was if the experience in the restaurant was positive. That was also rated with a percentage of 83.74 positively.

	no	unsure	yes	Total
my expectations of the visit were fulfilled	3	10	110	123
	2.44%	8.13%	89.43%	
the service processes in the restaurant were smooth	7	23	93	123
	5.69%	18.7%	75.61%	
the staff was focused on my needs, recognized my wishes	11	23	89	123
	8.94%	18.7%	72.36%	
the restaurant was a recommendation	48	20	55	123
	39.02%	16.26%	44.72%	
the visit of the full service restaurant was a positive experience	5	15	103	123
	4.06%	12.2%	83.74%	
the visit of the full service restaurant was a negative experience	94	13	16	123
	76.42%	10.57%	13.01%	

Figure 9. Statements about the last full-service restaurant stay

In question eight the author wanted the respondent to score the overall restaurant stay. The average mark, 1 is perfect, 6 was really bad, is with 2.25 in average a good mark. The marks were chosen equally to the German grading system in schools.

The second last question was an open question. 70 respondents stated that there are no suggestions to better meet their expectations or have suggestions. Comparing to the scored statement if the respondents' expectation were fulfilled, it is proved that they thought about the decision they made. What was interesting is that, 117 respondents quoted in the last question (Figure 10 below) that they will revisit the restaurant again, although 54 had suggestions to improve the restaurant.

	N	Percent
Yes	117	95.12%
No	6	4.88%

Figure 10. Restaurant revisit

The author decided to divide the complaints in three sections. One section is complaints about the atmosphere in terms like too much noise (4), less space between tables (2), defective furniture (2), lack of pleasant atmosphere, cleanliness and the climate.

The second sector is the service itself. Respondents complain about the friendliness of the service (8), the lack of individual service (4), the lack of cognition of consumer needs (9), less staff (3), organisation and lack of service skills.

The third sector is about the offered products themselves. Guests complain about the small portion of food (2), the price performance ratio of food could be improved (7), the improvement of the quality of food (2), long waiting period of food delivery (5), more food variety (4), better price performance ratio of beverages (8), better quality of beverages and at least the waiting periods in general could be improved (6).

5 Conclusion

The restaurant industry is an important branch, because it comprises the basic need of eating and drinking. People can never imagine being without restaurants, it is part of our society. As proved in the questionnaire, the average full-service restaurant is doing a good job, because the respondents are loyal (117 responded that they will visit the evaluated restaurant again).

With the results of the questionnaire, a restaurant has the possibility to develop a great knowledge of customers and where they should focus on. The solution for each individual full-service restaurant do not have to be conducting a survey, it is much more about having feedback from customers right away. Companies can easily implement questions in the service processes which can be asked by the waiter or waitress. Communication, as already mentioned in the theoretical part, is very important to establish a customer focused management system. With this module, gaps between the customer and the company can be easily identified and eliminated.

The zone of tolerance of the respondents is very high (92.68% are 18-29 years old). Most of them start collecting experiences and maybe have not that much expectations.
As (in 2.4) discussed, a reliable service is the most important factor for customers. In the open question of the survey, where customers could give some suggestions, 26 mentioned the service. It is proved that there is an importance of a reliable service and that there is a lack of it in some of the evaluated full-service restaurants. Nevertheless, most of the interviewed persons are satisfied, which means that their expectations were fulfilled as the author described in 2.5. Furthermore, most of the respondents stated that they did not visit the restaurant for the first time, which can be an indicator that the satisfaction level is reached by the assessed companies. Consistency of quality, setting standards and positive emotions are also an aim a company should take into consideration to satisfy customer expectations and to be successful.

To sum up the results, the questionnaire shows that there are small factors which disturb the experience for the customer and therefore the satisfaction level. The restaurant can easily improve the named circumstances to increase satisfaction. The service factor is more challenging, because there is no opportunity to standardize service personnel. An employer should focus on trained and motivated staff. Only pleased staff can satisfy the needs of the guests and therefore build a nice experience within the restaurant visit.

5.1 Future Research Opportunities

This thesis tried to provide contributing material to identify if German full-service restaurants satisfy customer expectations and tried to figure out where the gaps between customers and companies are. Further solutions how to close those gaps that were identified. The scope of the thesis is limited and therefore some aspects could not be discussed. However, some interesting future research options can be recommended.

The following topics can be potential future research opportunities with regards to the findings of the thesis.

- Asking all kind of age groups in separate surveys and to compare those findings
- How does occupation and salary influence the expectations and therefore the zone of tolerance
- The questionnaire can be easily accommodated to a case study and therefore the qualitative survey will deliver individual solutions for the restaurant.
- Another option is to research how different kind of restaurants (fast food, casual dining and fine dining) differ from each other.
- How prices in restaurants influence expectations

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Appendix 1. Guest Questionnaire

HAAGA-HELIA
University of Applied Sciences

German full-service Restaurants: Do they satisfy customers' expectations?

Dear Guest, my name is Manuela Knöfler, I am a student at Haaga Helia University in Helsinki and I am looking within the frame of my bachelor thesis how satisfied customers in Germany are with their full service restaurant visits. Full service restaurants means restaurants where you get served by a waiter/waitress at the table. Your participation is voluntary and anonymous. All results and collected data will be treated confidentially and only serves the presented study. I appreciate your two minute support for my research and therefore I request your aid by answering the following questions. Thank you very much in advance!

1. I am: *

◯ Female

◯ Male

2. How old are you? *

◯ under 18

◯ 18 – 29

◯ 30 – 45

◯ 46 – 60

◯ over 60

3. How often do you eat in a full service restaurant? *

☐ Daily

☐ Several times per week

☐ Once a week

☐ Once a month

☐ Less than mentioned above

4. Did you already visit the full service restaurant you will evaluate in the following part? *

◯ Yes

◯ No

5. If yes, how often? *

_____

—

_____

—

_____

—

3 characters remaining

6. Please evaluate the following factors in relation to your last full service restaurant visit in Germany *

	Fully satisfied	Satisfied	Neutral	Unsatisfied	Very Unsatisfied
overall atmosphere	◯	◯	◯	◯	◯
food variety	◯	◯	◯	◯	◯
food quality	◯	◯	◯	◯	◯
beverage variety	◯	◯	◯	◯	◯
beverage quality	◯	◯	◯	◯	◯
stuff (service, courtesy, communication)	◯	◯	◯	◯	◯
waiting period until the first establishing contact	◯	◯	◯	◯	◯
waiting period of delivering beverage	◯	◯	◯	◯	◯

waiting period of delivering food	○	○	○	○	○
price-perfomance ratio of food	○	○	○	○	○
price-performance ratio of beverage	○	○	○	○	○

7. Please evaluate the following statements in relation to your last full service restaurant visit in Germany *

	no	unsure	yes
my expectations of the visit were fulfilled	○	○	○
the service processes in the restaurant were smooth	○	○	○
the staff was focused on my needs, recognized my wishes	○	○	○
the restaurant was a recommendation	○	○	○
the visit of the full service restaurant was a positive experience	○	○	○
the visit of the full service restaurant was a negative experience	○	○	○

8. Please evaluate the restaurant stay in total from 1 to 6 (1 = perfect, 6 = bad) *

_____
—

_____
—

_____
—
1 characters remaining

9. Do you have any suggestions for the restaurant to better meet your expectations and therefore increase satisfaction? *

_____
_

_____
_

_____
_

10. Would you revisit the restaurant again? *

○ Yes ○ No

Appendix 2. Table of gender

	N	Percent
Female	91	73.98%
Male	32	26.02%

Appendix 3. Table of age groups

	N	Percent
under 18	0	0%
18 - 29	114	92.68%
30 - 45	6	4.88%
46 - 60	2	1.63%
over 60	1	0.81%

Appendix 4. Frequency of full-service restaurant visits

	N	Percent
Daily	2	1.63%
Several times per week	10	8.13%
Once a week	35	28.46%
Once a month	61	49.59%
Less than mentioned above	16	13.01%

Appendix 5. Evaluating product and services in the chosen full-service restaurant

	Fully satisfied	Satisfied	Neutral	Unsatisfied	Very Unsatisfied
overall atmosphere	35	72	14	1	1
	28.46%	58.54%	11.38%	0.81%	0.81%
food variety	28	69	18	8	0
	22.77%	56.1%	14.63%	6.5%	0%
food quality	62	47	12	1	1
	50.41%	38.21%	9.76%	0.81%	0.81%
beverage variety	34	63	21	5	0
	27.64%	51.22%	17.07%	4.07%	0%
beverage quality	42	61	16	4	0
	34.15%	49.59%	13.01%	3.25%	0%
stuff (service, courtesy, communication)	43	53	16	10	1
	34.96%	43.09%	13.01%	8.13%	0.81%
waiting period until the first establishing contact	32	53	25	12	1
	26.02%	43.09%	20.32%	9.76%	0.81%
waiting period of delivering beverage	32	62	22	5	2
	26.02%	50.41%	17.89%	4.06%	1.62%
waiting period of delivering food	24	61	25	12	1
	19.51%	49.59%	20.33%	9.76%	0.81%
price-perfomance ratio of food	38	53	22	9	0
	31.15%	43.44%	18.03%	7.38%	0%
price-performance ratio of beverage	21	50	35	13	3
	17.21%	40.98%	28.69%	10.66%	2.46%

Appendix 6. Statements about the last full-service restaurant stay

	no	unsure	yes	Total
my expectations of the visit were fulfilled	3	10	110	123
	2.44%	8.13%	89.43%	
the service processes in the restaurant were smooth	7	23	93	123
	5.69%	18.7%	75.61%	
the staff was focused on my needs, recognized my wishes	11	23	89	123
	8.94%	18.7%	72.36%	
the restaurant was a recommendation	48	20	55	123
	39.02%	16.26%	44.72%	
the visit of the full service restaurant was a positive experience	5	15	103	123
	4.06%	12.2%	83.74%	
the visit of the full service restaurant was a negative experience	94	13	16	123
	76.42%	10.57%	13.01%	

Appendix 7. Restaurant revisit

	N	Percent
Yes	117	95.12%
No	6	4.88%