Nina Naidenova

CUSTOMER SATISFACTION IN A SMALL RESTAURANT

Bachelor's thesis Tourism and Hospitality Management

2018



South-Eastern Finland University of Applied Sciences

Author (authors)	Degree	Time		
Nina Naidenova	Bachelor of Tourism And Hispitality Management	April 2018		
Thesis title	Management			
Customer satisfaction in a small restaurant		39 pages +4 pages of appendices		
Oy Pannukakkutalo				
Supervisor				
Eliisa Kotro				
Abstract				
Nowadays, the competition among restaurants is strong. Customer satisfaction and the quality of service are the main factors which help to work, improve the business and increase the profits, and especially keep the customers.				
The goal of the thesis was to identify the customer satisfaction in the Pannukakkutalo restaurant. The main objectives of this thesis were to measure customer satisfaction and find out how the services and events could be improved.				
First of all, the literature was studied which helped determine of the theoretical background about customer satisfaction and measurement methods. The definition of customer expectations was also described. In addition, two types of research methods were used. As a quantitative study two surveys were conducted during the event in the restaurant, and the qualitative part was a semi-standardized interview with the restaurant manager.				
The results were analyzed using knowledge from the theoretical part. The results helped to describe the conclusions about customer satisfaction at Pannukakkutalo, also helped to identify the main reasons for which the guest remained dissatisfied. As a result of this, some recommendations were proposed to eliminate negative moments for increasing the satisfaction. Besides, since the customer satisfaction survey was conducted twice, some suggested recommendations were implemented prior to the second survey and thus, the results of both surveys were compared. As a consequence, additional conclusions were drawn.				
The study showed that the customers were sa was positive, and the participants were more li				
Keywords				
customer satisfaction, customer satisfaction m	easurement, customer e	xpectation		

CONTENTS

1	IN	ITRODUCTION	4
	1.1	Goal and purpose of the study	5
	1.2	Research questions	6
2	Tŀ	HEORETICAL BACKGROUND	6
	2.1	Customer satisfaction	6
	2.2	Customer satisfaction measurement and methods	10
	2.3	Customer expectation	16
	2.4	Customer dissatisfaction	17
3	RE	ESEARCH METHODS	19
	3.1	Data collection and analysis	20
	3.2	Survey	21
	3.3	Interview	22
4	PF	RACTICAL PART	23
	4.1	Description of the commissioner	23
	4.2	Results of the survey	23
	4.3	Results of the interview	
5	CC	ONCLUSION AND RECOMMENDATIONS	
6	DI	ISCUSSION	
R	EFEF	RENCES	
L	IST C	OF FIGURES	
A	PPEN	NDICES	
		Appendix 1. Questionnaire	

Appendix 2. The signboard of Pannukakkutalo

Appendix 3. Pannukakkutalo Restaurant from the inside

Appendix 4. Questionnaire from Alexey Petrash's Bachelor's thesis

1 INTRODUCTION

Nowadays a lot of owners and managers of restaurants think about how they can improve services and quality with minimum costs and maximum profit. How can a small restaurant be profitable? To increase profits, it is necessary to increase the number of guests. In order to attract more guests, a restaurant needs to know what kind of guests it wants to have or already have. In other words, know the target group. In addition, the restaurant needs to know whether the customer is satisfied or not. This can be determined by doing various research. For example, a survey was conducted among the guests within the framework of the Buffet event at Pannukakkutalo.

When we talk about service, every restaurant knows how important it is for customers to be satisfied. Undoubtedly, the feeling of satisfaction is better than that of dissatisfaction. Increasing the number of customers is crucial for developing a restaurant business. The guests need to remember the restaurant, and in order to be remembered, the staff members must meet and even surpass customer expectations. In other words, the restaurant needs to ensure that your guests are delighted. Concentrating your efforts on the desire to please the guests will help to look at what is happening in your restaurant through their eyes and will allow you to adjust according to their impressions of the quality of your products and services.

The main goal of the thesis was to identify the customer satisfaction in the framework of the Buffet event at Pannukakkutalo. The goal was possible to achieve because there was an opportunity to conduct a survey among the guests one or two times during the Buffet event.

Thus, were necessary the following objectives:

- to measure customer satisfaction (within the framework of the Buffet event) at Pannukakkutalo;
- to find out how the services and events can be improved.

4

The idea of the thesis was to conduct research, to study what the customer satisfaction is and how to measure it, and identify customer satisfaction at Pannukakkutalo. For this reason, I decided to use a survey and interviews as the research methods. I analyzed the information collected in the theoretical framework, reviewed the basic concepts that could help me in the research and used them when measuring and analyzing the customer satisfaction in framework of the Pancakes Buffet in Pannukakkutalo. The commissioner was the organization of Pannukakkutalo restaurant where I was practicing.

1.1 Goal and purpose of the study

The goal of the thesis was to identify the customer satisfaction in the framework of the Buffet event at Pannukakkutalo. The objectives of the work are to measure the customer satisfaction, and to find out how the services and events could be improved.

At the moment, Pannukakkutalo Restaurant has several regular events for the customers. One of them is the "Pancakes Buffet" event. When the degree of the customer satisfaction in the research is found, the conclusions about the main points that should be improved will be provided. Thus, the event "Buffet" and the restaurant as a whole will become more attractive for the guests in the future. In addition, analysis of the customer satisfaction should be done in order to make improvements possible. For this work, a survey will be conducted among the participants of this event.

This thesis is interesting because it can help the owner of Pannukakkutalo identify the guests' satisfaction and find out shortcomings in the service. After reading this thesis, the manager can use the results of the surveys and some recommendations for improving the customer satisfaction and increasing the number of guests so that the restaurant will improve profitability.

1.2 Research questions

This study has two main objectives. The first is to measure customer satisfaction within the Buffet event. The second is to make suggestions for its improvement. Thus, to find the best solutions, you the following research questions need to be answered:

- 1. Are guests satisfied with the Buffet event?
- 2. What are the main reasons for dissatisfaction with guests?
- 3. What improvements should be made to ensure that guests are satisfied?

2 THEORETICAL BACKGROUND

For writing the thesis, it was necessary to know different terms such as the customer satisfaction, customer satisfaction measurement, customer expectations, and customer dissatisfaction. These terms will help to do research in this field more deeply.

2.1 Customer satisfaction

There are different definitions of customer satisfaction and not all of them are supported by just one concept. According to Richard L. Oliver, customer satisfaction is to think that the customer is satisfied when the service or the product provides the customer with what is "sufficient" to meet the guests' needs and expectations (2015, 6). For the customer it is enough, because there are many factors that determine what is "sufficient" for the customer in a particular situation. The concept of customer satisfaction, provided by Philip Kotler (Kotler et al. 2013), is determined by the fact that customer satisfaction usually has a direct relationship with specific expectations.

The quality of service is guided by several criteria of customer satisfaction; these attributes depend on the quality of the services, quality and variety of products, delivery, reputation of company and price. It is clear that the customer satisfaction is very important for a company to keep current guests and find new

ones. Satisfied customers are less sensitive to price rises, and also more likely to share their positive experiences with other people (Hague, N. & Hague, P. 2018).

In the recent decades, customer satisfaction has been subject to complex changes in its meaning as well as how it is measured. While previously satisfying the client directly indicated that a job had been done well, nowadays, customer satisfaction is seen as a more complicated process. At present, customer satisfaction is defined as how a product or service reaches or exceeds customer expectations.

In the restaurant industry, most of all, customer satisfaction depends on the quality of service, and the quality of a product. All the staff of the restaurant, directly confront with guests from day to day. Moreover, the restaurant needs time from time to check the customer satisfaction with the product and service, as this can help keep the old guests and have new ones. (Hill & Alexander, 2006, 213).

Satisfaction can also be described as a process that begins with the formation of customers' expectations and ends with a report of the experience gained. However, as a person estimates the ongoing service, this is a very subjective thing. Customer expectations can be significantly affected by various internal and external factors. If the guest has high expectations from the restaurant, this complicates the process of satisfaction and meeting expectations (Zeithaml, 2017, 187).

There are aspects that affect the satisfaction of the guests and used to measure customer satisfaction such as value for money, quality of food, service, menu variety, and atmosphere.

Value for money

Value for money is one of the important aspects that customers are looking at when choosing a location. Before buying a product or going to a restaurant,

customers usually look at the price and read reviews about the quality of the proposed product. Customers want quality and price to be in equal balance with each other. It is difficult for an entrepreneur or a restaurant manager to find middle ground in the ratio of price and quality, but if a restaurant gets close to the normal ratio, it will provide good customer satisfaction and business development (Paul R. 2013). If the quality and price are in equal ratio, then eventually customers will remain satisfied, which in turn will provide good feedback and most likely these customers will return to the restaurant (Angelova, B. & Zekiri, J. 2011).

Quality of food

The quality of food is the set of qualities that make food acceptable to consumers. These qualities include those perceived by the senses (sensory qualities): taste, smell, color, texture, shape and appearance; as well as hygienic and chemical ones (Ha & Jang 2012, 215).

The quality of food is one of the qualities required in the food manufacturing processes; because the final destination of the products is human food and food items are susceptible at all times to suffer any form of contamination. Many consumers require that products be handled according to certain standards, particularly they want to know the ingredients they have, due to a diet, nutritional requirements (kosher, halal, vegetarian), or medical conditions (such as diabetes, or simply allergies) (Edwards J. 2013, 223).

The quality of food has not only the sensory and sanitary qualities, but also the traceability of the food during the industrial processes that go from its collection, until its arrival to a final consumer. If the quality of food in start with a restaurant meets the expectations of guests, then the guests remain satisfied, which in turn leads to the retention of the customer (Al-Tit, 2015).

Service

A service is a committed action in the interests of another person, as a result of which a new product is not created, but the quality of the existing product changes. There is a huge variety of services, but there are four common characteristics (Zeithaml V. 2017, 21-24):

- 1. Service is intangible and immaterial, it is impossible to do anything with it to demonstrate, see, try, transport, store, pack, etc.
- 2. Production and consumption of services are inextricably linked.
- 3. The quality of the service is heterogeneous and variable; it depends on who performs it, and also on the place and time of the service.
- 4. The same service is provided once and cannot be saved for further sale and delivery.

In the restaurant industry, the quality of service refers to the level of service that is provided by the restaurant staff. The service depends on good interaction between customers and restaurant employees (Ha & Jang 2010, 521). Thanks to good interpersonal communication inside a restaurant between customers and employee, guests are given the opportunity to analyze and give their assessment of the quality of service (Ryu et al. 2012, 201).

If the restaurant provides a high level of quality service, it can help minimize errors in service, thereby attracting new and retaining permanent guests (Tesfom & Birch, 2011, 378). Thus, getting on the interaction between the guests and the employees, will lead to a high level of quality of service in the restaurant. (Ryu et al. 2012, 201).

Menu variety

A variety of menus affect the customer satisfaction. Often people come to try something new, unusual, something that they have not tried or seen. Multiple data analyses have shown that the menu variety, design and description of items are significant factors in the customer satisfaction. According to Antun and Gustafson (2005, 81), menus are an important factor affecting the first impression

of guests and the expectations of food and drinks at a restaurant. In the research conducted in 2017 (SAGE journals Tourism and Hospitality Research), factors that affect the satisfaction of guests, including descriptions of menu items, menu variety and design were studied. According to this study, the menu plays one of the decisive roles in the overall success of the restaurant, as it describes the buyer the subject of their purchase, and what choices are available to them.

Atmosphere

The atmosphere of a restaurant can be defined as the comfort of being in it. At the same time, of course, this is a very dynamic term, because it depends on the customers themselves, type of restaurant, time of day, ongoing events and many other circumstances (Petzer, 2014).

The atmosphere affects customers, but also customers affect. Sometimes, there have been enough very simple actions, so that the atmosphere has been broken. For example, if someone wants to spend a quiet and cozy evening in a restaurant with a partner, and next to them there is a noisy group of students, it can break the romantic atmosphere and their satisfaction will be low, and maybe customers will remain dissatisfied. Therefore, it is very important for the restaurant manager to monitor the atmosphere and how it affects the guests.

2.2 Customer satisfaction measurement and methods

Following the definition of Hill and Alexander, measuring customer satisfaction is how a guest evaluates and perceives a service. Therefore, the restaurant should not rely on and use knowledge created only inside (2006, 2). The received information on customer satisfaction is an excellent opportunity to find out how well the restaurant works and how satisfied the guest is with the quality of service. This knowledge also shows where the restaurant has shortcomings, so the negative points can solve. Thus, the guest will be satisfied. Besides, it is very important to be able to correctly use the feedback from the guests. To date, the restaurant needs to understand that measuring satisfaction is an important factor. When the guest is satisfied, he or she is ready to come to the restaurant again. There are many different models that can help assess the satisfaction of the guests. The table shows 3 popular methods.

Table 1. Different models for measuring customer satisfaction (Park, Y., Heo, P. & Rim, M. 2008, 634)

The European Customer	Swiss Index of Customer
Satisfaction Index (ECSI)	Satisfaction (SWICS)
(2000)	(1998)
- Corporate image	- Customer satisfaction
- Customer expectations	- Customer dialogue
- Quality of product	- Customer loyalty
- Value for money	- Customer benefits
-Quality of service	- Customer orientation
	Satisfaction Index (ECSI) (2000) - Corporate image - Customer expectations - Quality of product - Value for money

In the restaurant and hotel business and in tourism in general, the most used model is SWICS model Below in Figure 1 we can see the relationships between the aspects of the model (Park, Y., Heo, P. & Rim, M. 2008, 634).

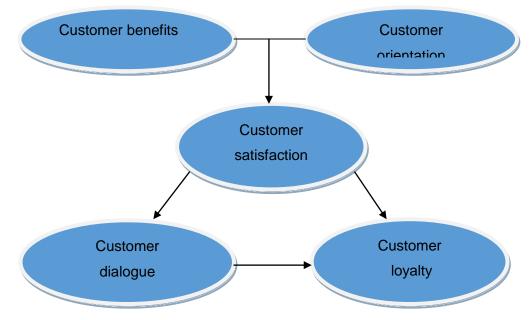


Figure 1. The model of SWICS (Park, Y., Heo, P. & Rim, M. 2008, 634)

In Figure 1, we can see that the main aspect of this model is "customer satisfaction", and then there are such factors as "customer benefits", "customer orientation", "customer dialogue", and "customer loyalty». Further, we will try to explain each of these factors of customer satisfaction. When the restaurant or enterprise knows its audience, it gives an opportunity to guess what this target group expects from the products, in other words, to anticipate the expectations of the guests. When the customer arrives at the restaurant he or she is looking for an opportunity to get some benefit or bonus. If the restaurant manages to give the guest the benefit, then this increases the satisfaction in general. Dialogue with the customer gives additional information from the guest, so we can understand that the restaurant needs to be changed or improved in the product or service. It is the individual communication with the guest that increases the percentage of the guest going to the contact and the restaurant will receive feedback. The guest loyalty, this is the last and most complex factor in this model, because getting loyalty is not easy. Each restaurant should stand out from others, be unique, thereby being well-competitive (Park, Y., Heo, P. & Rim, M. 2008, 634).

There is also the concept of NPS Index. This concept reveals who is satisfied with the product in fact and will recommend it, and who is dissatisfied the product or service, and share the bad reviews with a potential customers.

Any company always tries to understand what guests feel about them. Therefore, different ways of measuring the satisfaction were based on the probability of the reselection of the company or organization. Any company always tries to understand what the guests feel about them. Therefore, the company usually uses different ways of measuring satisfaction. An interesting fact is that very often guests who put only positive assessments and write positive reviews, in the end, do not go back and do not become loyalty guests. This fact was examined and it was difficult to find the right question, which would show the feelings of the guests, they are satisfied in reality, they want to come back again (Reichheld & Markey, 2011).

12

After several years of research, a solution was found, and the Net Promoter Score model was developed. Net Promoter Score or net support index is an indicator that reflects the degree of success in building customer relations. This figure is found asking customers a simple that is aimed at figuring out how much is credible that a guest will share their good experiences with friends (Reichheld, 2011, 18). As a basis, a scale of 0 to 10 is used. Based on the assessment, customers can be divided into three groups:

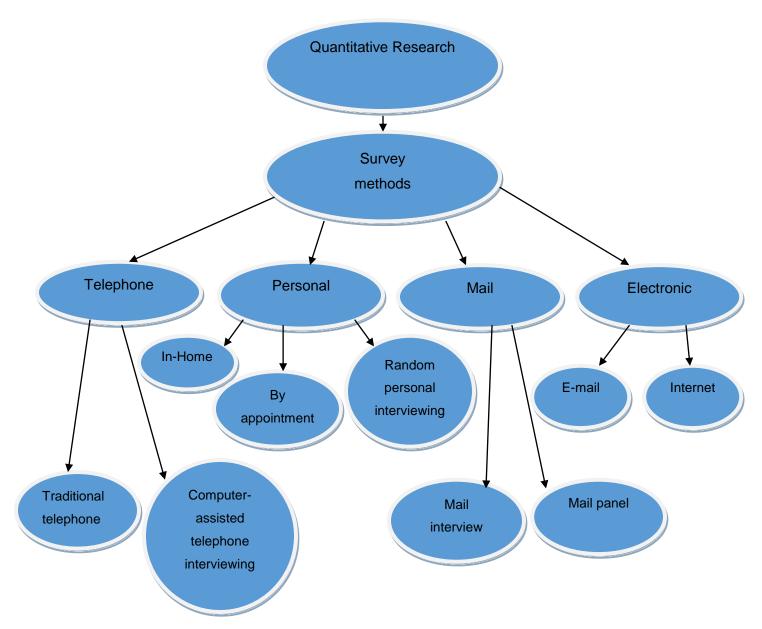
- 1. Satisfied customers are those usually put 10 points. They gladly go back to the company, and they advise the product to their friends.
- 2. Passive guests usually put 7 points. They are satisfied with the service or product, but they are not attached to it and can easily find an alternative.
- 3. Dissatisfied guests usually mark a score of 6 or lower. They are dissatisfied with the products and are ready to share their bad experiences with others. Thus, the company loses from 8 to 10 potential customers.

Different methods for measuring customer satisfaction

If the customer satisfaction cannot be measured, it cannot be managed. The company needs to understand which of the methods to measure customer satisfaction suits them best.

There are many kinds of research methods; however it is very important for a company to choose the appropriate methods. There is no concept for the best method among the variety of methods but depending on the situation of research, some measurement methods fit the purpose better than others (Perner, 2018). In Figure 2 shows quantitative research using different survey methods, and in the Figure 3, we can see different methods of qualitative research.

As mentioned about qualitative and quantitative research, both of them are usually used when analyzing customer satisfaction. The quantitative data gives a company an overall view of the customer satisfaction while the qualitative data provides a huge and diversified amount of information of customer expressions and emotions.



14

Figure 2. Various survey methods of quantitative research (Perner, 2018)

An interview was used as a qualitative research method. The interview took place with the manager of Pannukakkutalo. During the interview, specific questions were raised with possible answers. This method was chosen in addition to the quantitative one, because it helps to understand the situation inside the enterprise. For this, to need the following different steps like:

- meet with manager;
- conduct interviews with specific questions;
- analyze the answers;
- give feedback.

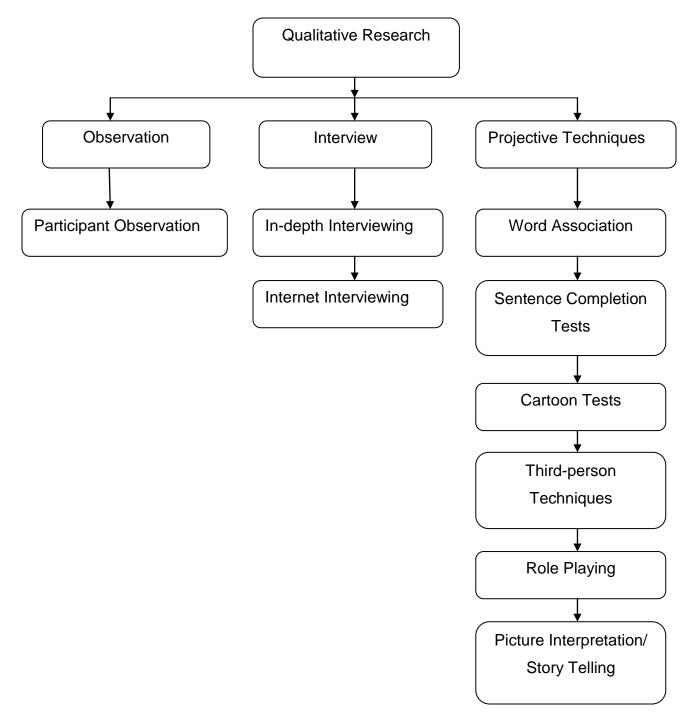


Figure 3. Various methods of qualitative research (Bacon-Shone, 2015)

As a method of quantitative research, one of the most common methods was used a survey. The survey was within the framework of the Buffet event. However, the task was not only to identify the customer satisfaction, but also to offer some improvements for the event. This required the following steps which are shown in Figure 4.

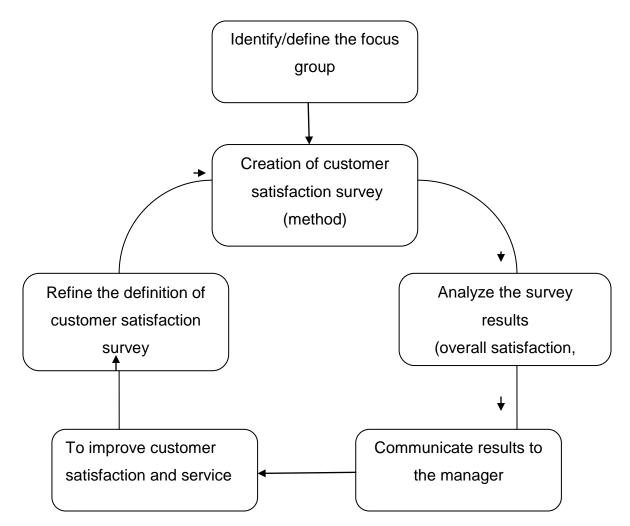


Figure 4. Different steps of customer satisfaction measurement and improvement

2.3 Customer expectation

When the customer thinks of buying a service, he expects that certain situations will be met. In brief, these situations are the customer expectations in the service. When we talk about customer satisfaction, we must take into account the factor of customer expectations, as one of the main reasons is that customer satisfaction is measured by adding to the expectations the performance of the service (Khoshchenko, 2015, 11).

If we do not know the guest's expectations about our service, how can we satisfy them? The expectations of the customers are changing, and they are in a constant state of evolution. This means that the process must be continuously maintained in order to find solutions for the customers that will keep them satisfied and, of course, improve the benefits. Here are 5 tools or techniques to know the expectations of customers in the service that can be easing implemented (Zeithaml, 2017, 144):

- 1. Customer survey. Request information directly from your guests.
- 2. Customer service questionnaire. After providing the service, you can ask a series of questions to obtain the client's point of view regarding the service experience. It should be brief and focused precisely on the service experience.
- 3. Analysis of customer complaints. It is a very effective tool that can provide us with very relevant information about the expectations of the service and its degree of compliance.
- 4. Analysis of lost clients. Almost similar to the previous one, it tries to find out what those expectations would be if they were not fulfilled and what made the client take the decision to leave.
- 5. Train the staff. This means that you must keep an eye on observing, listening, recording and discussing the suggestions and comments that customers make.

You have to consider that some of the techniques require greater participation from your clients than others. There are also many other techniques that you can implement and that will depend a lot on the budget you have.

Thus, we can say a restaurant manages to detect and exploit the expectations of its guests, providing quality services that cause satisfaction or exceed the expectations and earns the loyalty in the future.

2.4 Customer dissatisfaction

The satisfaction of customers depends on the product including the relations of flexibility to the expectations of the guest. If the guest's expectations are unjustified, as a consequence the guest will be dissatisfied, and if he will match the expectations, this means that the customer will be satisfied (Kotler & Armstrong, 2010, 17).

Dissatisfied guests buy fewer products, with a lower margin or with a discount. Despite a less important role of unsatisfied guests in ensuring the company's profitability, the market-oriented management pays as much attention to them as "very satisfied" customers. When an unsatisfied guest leaves the company, the profit is reduced. The conscious managers understand they cannot neglect unmet customers, if only because it is much more expensive to attract a new buyer than to keep the existing one. Usually dissatisfied guests do not directly make claims on the organization, but express dissatisfaction with others. Well-documented studies have shown that surprisingly few such consumers complain to the company itself (Best, R. 2014, 21).

Consider the situation in approximate numbers. For example, every month Pannukakkutalo has 500 guests. In Figure 5, we can see that of the 135 guests who are hiding their discontent will leave 112 consumers, that is 83%. Outgoing customers not only destroy the market position of the company, but also complicate the process of attracting new consumers: each of them will tell about the causes of their dissatisfaction to 8-10 people (Lu et al. 2012, 232). In Figure 5 shows how important it is to focus on unsatisfied guests who do not complain. The company has about 500 guests a month, 70% of them are satisfied, and 30% are not. Each month, the company loses 150 guests and needs to find a replacement for them in order to keep the size of customer base. It loses only 35 (10%) of the 350 (70%) satisfied. The remaining 150 are dissatisfied, 10% of them complain, and 80% of them manage to retain. 90% do not complain, and only 17% of them manage to retain, and 83% leave. Thus, we see that the company should pay attention to dissatisfied guests as well as to the satisfied ones.

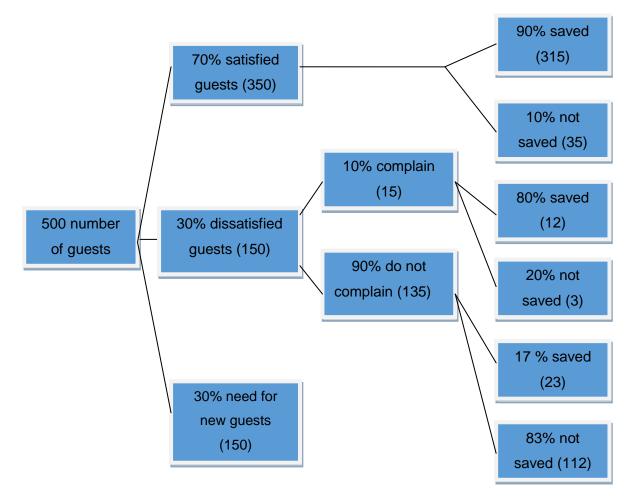


Figure 5. Satisfaction, behavior in relation to complaints and the preservation of consumers (Best, R. 2014, 21)

3 RESEARCH METHODS

This study combines both types of research methods - qualitative and quantitative. A qualitative study conducted using an interview with personal structured questions to the manager. Besides, the interview with a restaurant manager helps to see and evaluate services from the inside. The survey was used as a quantitative research method. The survey was conducted in the framework of the Buffet event. This method is the most suitable and comfortable for research, because all the necessary information was collected and analyzed at a short time. Thus, two methods of research were used; therefore the question of customer satisfaction in the restaurant was studied and examined on both sides, both by the staff and by the guests. The answers obtained from the survey and interviews help to create effective recommendations for solving negative aspects so that the satisfaction of the guests grows. It is very important that the manager takes advantage of the results.

3.1 Data collection and analysis

The main purpose of this research is to gather all the necessary information about the customer satisfaction within the framework of the Buffet event in order to find out the key elements that can be improved in the future. Therefore, a questionnaire was created to get the basic data. The questionnaire consists of 6 questions which are intended to clarify three main points:

- 1. Identification of the customer satisfaction with this event;
- 2. The search for key points that the customers are dissatisfied with;
- 3. Additional information from guests.

The data were collected during the training in Pannukakkutalo. The training lasted from October to February. The general information about the restaurant was collected from the official site, and from the manager. The other part of the data in the research was collected with the customer satisfaction survey. The data of the customer research was received at different times; the first data was received in late November after the first survey, which was on November. The second was received at the end of January after the second survey which was on January. The third was received in mid-January after the last which was on February.

All data, collected from the questionnaire, was analyzed on the site survio.com, and also presented in the study using diagrams, schemes and tables, so the readers can clearly understand the data. In Figure 6 different phases of the data collection are presented.

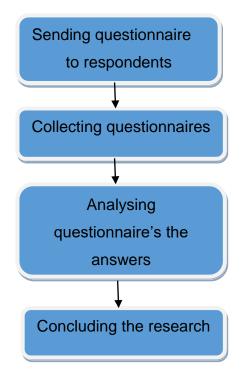


Figure 6. Different phases of data collection.

3.2 Survey

A survey is most often used to collect a large amount of information about guests of their impressions, opinions and attitudes. Data should be collected from people, events or objects that can give the right answers to solve the problem. The process of selecting the right people, events or objects is called sampling. The target group is the guests who come to the Buffet event.

The questionnaire should indicate the research objectives and the topic. Besides, if the questionnaire is personally given, the percentage of the respondents increases, as the guests feel the personal treatment and attitude.

The printed questionnaires were used to be able to collect data during the Buffet event. In this case, only the participants of the event could take part in the survey. Only 6 questions were included to make it short, because too long and detailed questionnaire can be unattractive. They were formulated on the basis of the purpose of the survey, which was to analyze how satisfied the guests were with this event, which of the several criteria of satisfaction was the least satisfactory

21

for a customer, and how many guests would want to visit the restaurant again in the future.

In the first survey within the framework of the Buffet event, there were 30 participants out of 50, and in the second 35 out of 40. Thus, 65 responses were analyzed. All the data were transferred to survio.com. This site was chosen because it was the most convenient way for analyzing results, and it is free and easy to use. With the help of this site, different diagrams were presented.

3.3 Interview

One of the sources of the data for this thesis was the interview with the restaurant manager of Pannukakkutalo. The interview was conducted in November 2017. The interview was conducted using a semi-standardized or focused interview (Datko, 2015). This is the type when you can use necessary questions that you have prepared in advance, as well as possible questions that emerge during the dialogue. The interview was conducted face to face, that is in the form of an active dialogue with the interlocutor and the restaurant manager.

The main part of this interview was to find out usual methods, used by the restaurant, to measure the satisfaction of the guests.

The following questions were asked:

- 1. Have you conducted any surveys among the guests during the event before?
- 2. What method do you prefer for measuring satisfaction?
- 3. How often do you measure customer satisfaction?
- 4. What action does the restaurant take after analyzing the results?
- 5. What is the average number of guests in the restaurant during a month?

The responses to the interviews were recorded and analyzed, after which parts related to the thesis were selected.

4 PRACTICAL PART

4.1 Description of the commissioner

Pannukakkutalo is a Finnish restaurant chain. Pannukakkutalo in English means a pancake house. The main product is pancakes. This chain is spread across Finland. Pannukkakatalo restaurants are located in Mikkeli, Oulu, Jyvaskyla and Pori. The first pancake house was opened on Oulu Market Square in 2010, after which the chain was expanded due to franchising (Lundgren & Häyhtiö, 2014).

In the role of the commissioner is the organization of Pannukakkutalo, and the traineeship was done in the restaurant in Mikkeli. Pannukakkutalo in Mikkeli was opened in 2015. The restaurant manager Tarja Lappalainen bought the franchise and has been running her business since then. This restaurant is located on the main street of the city. This location in the city center is advantageous and profitable. In the restaurant, there are 80 seats, and with the help of wooden partitions, the hall is divided into 3 zones. There is also a room for holding parties or negotiations. You can see the signboard of the restaurant in Appendix 2, and the restaurant view from the inside in Appendix 3.

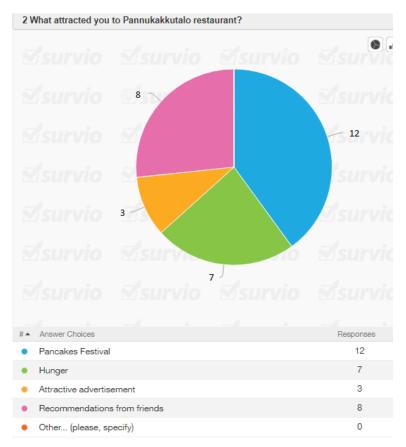
The menu in the restaurant is diverse. Almost 100 different salted and sweet pancakes are available, and all of them are also without lactose, gluten-free, immature and fresh. The lunch on weekdays include snacks and pancakes (Lappalainen & Siermala, 2015).

4.2 Results of the survey

This part describes and explains the results, together with the outcomes of the survey about customer satisfaction within the framework of the Buffet event in Pannukakkutalo.

The first survey was taken on November. The survey consisted of six questions and answering them took approximately 3 to 5 minutes. 30 guests of the Buffet took part in the survey. The questionnaire can be found in Appendix 1. According to the answers, 19 guests answered that they had come there earlier and 11 guests were new. Thus, we can say that this is a positive result, as more and more guests are getting familiar with the product of Pannukakkutalo.

Figure 7 shows that 12 participants in the survey came because of the Pancakes Buffet. Further, we can see that 7 respondents came into the restaurant because of hunger. Other 3 guests came as they were attracted by advertising of this event. 8 guests came because of recommendations. In this way we can see that customers of Pannukakkutalo recommend us to their friends with the word of mouth.





All respondents replied that they liked the idea of the Buffet. The customer satisfaction will be discussed in more detail below.

The question about different aspects of the satisfaction was the most saturated. It included several criteria of satisfaction such as value for money, quality of food,

service, menu variety, and atmosphere. In Figure 8 we can see the results of the responses.

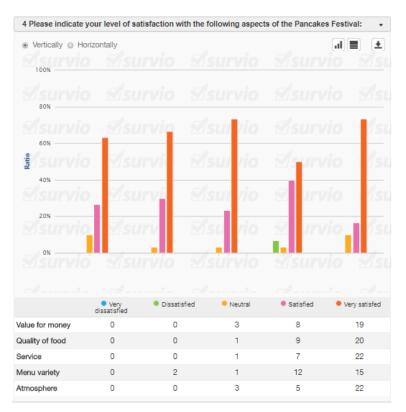


Figure 8. Customer satisfaction of Buffet event with the different aspects of satisfaction.

"Value for money" shows that out of 30 respondents, 3 customers chose the answer "Neutral", 8 chose "Satisfied", and 19 chose "Very satisfied". Thus, we can conclude that most customers were satisfied with the price of Buffet event.

"Quality of food" reveals the following results. Out of 30 respondents, 1 customer chose "Neutral", 9 chose "Satisfied", and 20 chose "Very satisfied". Thus, we can see that almost all the customers were satisfied or very satisfied with the quality of the food.

"Service" includes the following results out of 30 customers, 1 noted option "Neutral", 7 noted options "Satisfied", and 22 noted options "Very satisfied". So, we can say that "Service" in Pannukakkutalo was of high level. "Menu variety" shows that out of 30 respondents, 2 respondents answered "Dissatisfied", 1 respondent answered "Neutral", 12 respondents answered "Satisfied", and 15 respondents answered "Very satisfied". By the results we can see that it is necessary for Pannukakkutalo to improve «Menu variety» for the Buffet event.

"Atmosphere" reveals the following results out of 30 customers, 3 customers noted option "Neutral", 5 customers noted option "Satisfied", and 22 customers noted option "Very satisfied". The results show that not all customers in the restaurant were completely satisfied with the atmosphere.

Figure 9 indicates that 22 guests are ready to visit the restaurant again. 7 guests answered maybe, and 1 guest did not know whether he or she will come again or not.

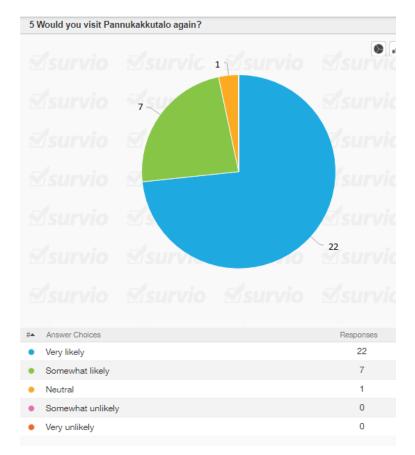


Figure 9. The willingness of customers to come again.

In Figure 10, we can see that almost all the customers gave good reviews, but the restaurant had several guests who were not very satisfied. They answered that they need free WIFI, a more relaxed atmosphere, and more variety in pancakes.

6 Is there anything else you would like to tell us?					
Please lable all the dishes!	Pancakes Festival every week	Thank you! (2x)			
Have festivals more	Thank you everyone!	Good service, thank you!			
Please WI-FI	It was really good and there were enough	It was delicious. :)			
	pancakes.	WIFI would be greatly appreciated!			
	Please lable all the dishes! Have festivals more often please.	Please lable all the dishes! Pancakes Festival every week Have festivals more often please. Thank you everyone! It was really good and there were enough			

Figure 10. Additional information from the guests.

The second survey was held on January after the proposed improvements were implemented. This questionnaire consists of the same questions, and 35 guests of the Buffet Festival took part in the second survey. Thus, we can compare the results of the first and second survey.

We can see that in the second survey, more participants took part than in the first. Having analyzed the answers received, 19 guests answered that they already came here earlier, and 16 guests were new. Thus, we can say that the number of new guests had increased.

In Figure 11, we can see that 18 participants in the survey came because of the Pancakes Buffet. Further and 5 respondents came in the restaurant because of the hunger. 1 guest came as he or she was attracted by advertising of this event. On the recommendations of friends 9 guests came and 2 participants of survey answered "other". So we can say that most of the guests came from the Buffet event, also we see that the guests recommend the restaurant to their friends or colleagues. In addition, some guests found out about the Pannukakkutalo restaurant from the internet or from street advertisements.

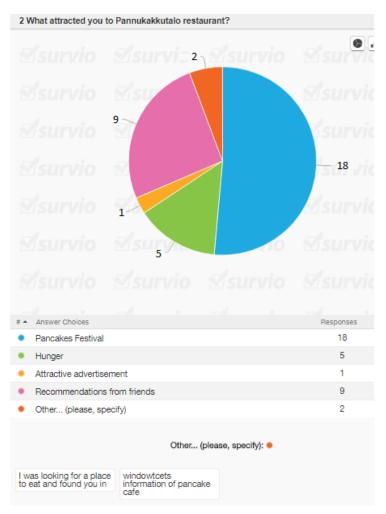


Figure 11. Different reasons that attracted the guests to Pannukakkutalo.

As in the first survey, all the respondents answered that they liked the idea of the Buffet Festival. Besides, the task of the survey was also to disassemble in detail the question of customer satisfaction. The next question was directed at this "Please indicate your level of satisfaction with the following aspects of the Pancakes Festival:"- This question included such aspects of customer satisfaction as value for money, quality of food, service, menu variety and atmosphere.

In Figure 12, we see the following results: "Value for money" shows that out of 35 respondents, 14 chose "Satisfied", and 21 chose "Very satisfied". Thus, we can conclude that nobody chose "Neutral", "Dissatisfied" or "Very dissatisfied".

"Quality of food" reveals the following results out of 35 respondents, 10 chose "Satisfied", and 25 chose "Very satisfied". Thus, we can see that most customers very satisfied with quality of food.

"Service" includes the following results out of 35 customers, 2 noted option «Neutral», 7 noted option "Satisfied", and 26 noted option "Very satisfied". So, we can say that almost all customers were satisfied with the service.

"Menu variety" shows that out of 35 respondents, 4 respondents answered "Neutral", 12 respondents answered "Satisfied", and 19 respondents answered "Very satisfied". By the results we can see that after the first and second survey, it is still necessary for Pannukakkutalo to improve "Menu variety" for the Buffet event.

"Atmosphere" reveals the following results out of 35 customers, 7 customers noted option "Satisfied", and 28 customers noted option "Very satisfied". The results show that all customers in the restaurant were satisfied with the atmosphere and nobody chose "Neutral" or the negative option.

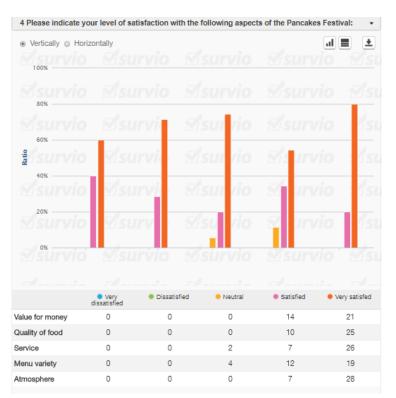


Figure 12. Customer satisfaction of Buffet event with the different aspects of satisfaction.

According to the fifth question, we can see that 29 guests answered "Very likely". 6 guests answered "Somewhat likely", and nobody answered "Neutral", "Somewhat unlikely" or "Very unlikely".

In Figure 13, we can see that the customers gave good reviews, but the restaurant received some feedback about "Menu Variety". The customers wished to have more sweet pancakes and more salad dressing on the Buffet table.

6 Is there anything else you would like to tell us?							
Show all answers							
Thank you!	It was delicious!	More sweet pancakes					
Greate place, keep on going!							
	Thank you! Greate place, keep on	Thank you! It was delicious! Greate place, keep on					

Figure 13. Additional information from the guests.

4.3 Results of the interview

This chapter presents the results of the interview conducted on the topics discussed. The results are divided into several parts based on the themes.

The interview was conducted on 10th of October. The first three questions were focused on obtaining information such as whether guests' surveys were conducted earlier, with what method the restaurant prefers to measure satisfaction, and how often the guests were interviewed.

According to the responses from the restaurant manager, we can say that the survey of guests during the event was held only once in 2017. It was something new for the restaurant, it was not conducted earlier, and the manager liked this idea of the survey. However, this restaurant does not have enough staff members to conduct such a survey every month. Therefore, the restaurant most often uses trainees to solve this problem.

Usually to find out whether the guest is satisfied or not, the restaurant uses a dialogue with the guest or asks him or her to leave a review in Special paper or on the Facebook page.

The restaurant manager says that she likes to use the questioning of guests in the form of a dialogue, since the appeal to the guest face to face shows that the restaurant is reverent to its clientele and wants to show that they want to meet the expectations of the guest. Thus, such a survey passes from case to case and one cannot accurately calculate the number of surveys.

The fourth issue was focused on finding out how the restaurant operates with the information and feedback from the guests. According to the answer, the good restaurant manager should listen to the guests and try to please them all. In order to retain old customers and acquire new customers, the restaurant needs to improve product and keep pace with the times. If the staff of the restaurant see that the guest lacks something or does not like it, it is necessary to take action immediately.

The last question focused on getting information about how many customers arrive in a month. This question was asked to find out how much demand the product has. The workload of the restaurant is very dependent on seasonality. The highest season is in the summer when many tourists come to the city. Due to the fact that the restaurant has a convenient location in the city center on the main street, this greatly affects the attendance. Winter is also considered a good season, as many choose smaller cities to celebrate Christmas. Low seasons fall in the spring and autumn.

The most visited days in the restaurant are Friday and Saturday, most of the guests come on these days. At the low season, approximately 350-400 guests arrive in a month, and at the high season, there are about 800 or more.

5 CONCLUSION AND RECOMMENDATIONS

To sum up, I can say that the goal, to identify customer satisfaction within the framework of the Buffet event in Pannukakkutalo, was achieved. Two surveys and an interview were conducted. With the help of the surveys which were held during the Buffet event, I received feedback from the customers. In addition, with the help of the interview with the manager of the restaurant Pannukakkutalo, I was able to look at the situation inside the restaurant through the eyes of the manager.

The objectives were achieved by measuring the customer satisfaction using the most suitable and simple method of research. As practice has shown, the survey method is the most effective and common method. I was able to get all the information I needed quickly and conveniently.

As a result of analyzing the first survey answered by the guests of the Buffet event in Pannukakkutalo, both positive and negative sides were revealed. Such negative aspects like the guests being unsatisfied with the fact that a large number of guests came simultaneously, the guests wanting more variety of pancakes, the guest sometimes not understanding what kind of filling was in the pancakes, the younger guests needing Wi-Fi. An analysis of the interview with the manager revealed one more negative aspect. The manager was displeased that the Buffet price of 7 euros was too low as the guests sat for many hours and ate without stopping.

To eliminate the negative aspects of the restaurant's activities, I came up with the following suggestions for improving the service and events. I offered a schedule for the event so that people could choose the time when they would want to come. The customers had a choice to come from 12:00 to 14:00 or from 14:00 to 16:00. That eliminated the problem of a large number of guests arriving at the same time. This simplified the task both for the restaurant staff and the guests. Customers could contact the restaurant by email or Facebook about the time preference.

32

In addition, after the interview with the manager I offered to increase the price of the event. This solved the problem of people staying for too long at the buffet event for a small price. Now the customers pay 10 euros, but coffee and tea are included in the price of the Buffet, which was not the case before.

It was also suggested to put nameplates that would indicate what the pancakes were made of to make things easier for the customers. After analyzing the survey, I also recommended to set up a Wi-Fi hotspot in the restaurant, since that would make the venue more attractive to the younger generation.

I was given a unique opportunity to do the survey for a second time. I could check the proposals by using and analyzing the results of the second survey, and comparing them with the first one.

After the second survey, the results showed that almost all the guests of the event responded positively. This distinguishes the positive attitude of the participants to the changes in the event. Only one negative point was mentioned, which was not there before. The guests wrote in the comments in the survey that they wanted more salad dressing on the buffet table.

In addition, I can say that with the help of the survey during the event, the guests were given the opportunity to express their opinion about the Pancakes Buffet, which was very important for the customers. Thus, I showed that their opinions were important for the restaurant. The results showed that most of them were more likely to visit the Pannukakkutalo restaurant again. This also means that the restaurant guests tell their friends and colleagues about the good experience in Pannukakkutalo. Many came because of the recommendations from friends as the results of the first and second survey showed. In addition, the restaurant can use the results in future events. In conclusion, the objectives of the research have been fulfilled and the goal has been achieved.

6 **DISCUSSION**

The research work was to identify customer satisfaction in the Pannukakkutalo restaurant. Two research methods were used: quantitative and qualitative. As the quantitative method, two surveys were used within the framework of the "Buffet" event, and an interview with the restaurant manager was conducted as the qualitative method.

The results of the survey showed that most of the guests were satisfied with the event. Moreover, with the help of the survey, several reasons were identified because of which the guests were dissatisfied. Basically, these reasons were associated with the quality of the services and the variety of the dishes offered. Several suggestions were made to improve the event. Another survey was conducted after the suggestions were put into operation. Thus, two surveys were compared. The results of the second survey were more positive than those of the first one, and one more reason was identified which was associated with a small number of salad dressing on the buffet table. The results of the interviews showed that conducting the survey positively affected the restaurant, and the survey will be conducted in the restaurant in the future.

This research work was a logical continuation of the work of Alexey Petrash (Petrash, 2017). A year ago another survey was conducted, which was focused on how to attract new guests to the restaurant by creating an event. This questionnaire can be seen in Appendix 4. This time the survey was aimed at measuring the satisfaction of the guests. The surveys were conducted as part of the event, the questionnaires were printed, and only the participants could answer to them. Although the research objectives were different, the questionnaires included two identical questions, the results of which can be compared. The first question "Is it the first time you have been to Pannukakkutalo restaurant?", and the second question "Would you visit Pannukakkutalo again?". Analyzing the results, we can conclude that the restaurant has increased the number of permanent guests during the year. The number visitors who would like to come to Pannukakkutalo again has also grown.

The process of this thesis was quite long and time consuming, but I must express the personal gratitude to the Pannukakkualo staff for their efforts too. I hope that this research gave them the theory and reasons to conduct a customer satisfaction surveys in the future.

There are many works on the topic of customer satisfaction, customer loyalty, and customer experience. Moreover, the topic of creating new events was taken. Consequently, we can conclude that this research topic has exhausted itself. However, for any business it is good to measure the customer satisfaction from time to time.

REFERENCES

Al-Tit, A. 2015. The Effect of Service and Food Quality on Customer Satisfaction and Hence Customer Retention. WWW document. Updated: 11 October 2015. Available at:

https://www.researchgate.net/publication/282128914_The_Effect_of_Service_an d_Food_Quality_on_Customer_Satisfaction_and_Hence_Customer_Retention [Accessed 20 March 2018].

Antun, J. & Gustafson, C. 2005. Menu analysis: Design, merchandising, and pricing strategies used by successful restaurants and private clubs. Journal of Nutrition in Recipe & Menu Development.

Bacon-Shone, J. 2015. Introduction to Quantitative Research Methods. WWW document. Updated: 2016. Available at: https://www.researchgate.net/publication/265793712 [Accessed 3 April 2018].

Best, R. 2014. Market-Based Management: Pearson New International Edition. USA: Pearson Education Limited.

Blythe, J. & Megicks, P. 2010. Marketing planning. Harlow.

Bryman, A. & Bell, E. 2015. Business Research Methods. Oxford University Press.

Datko, J. 2015. Semi-structured Interview in Language Pedagogy Research. WWW document. Updated: 2015. Available at: <u>https://www.researchgate.net/publication/279195544_Semi-</u> <u>structured_Interview_in_Language_Pedagogy_Research</u> [Accessed 4 April 2018].

Edwards, J.S.A. 2013. The foodservice industry: eating out is more than just a meal. Journal of Food Quality and Preference.

Ha, J. & Jang, S. 2010. Effects of service quality and food quality: the moderating role of atmospherics in an ethnic restaurant segment. International Journal of Hospitality Management.

Ha, J. & Jang, S. 2012. The effects of dining atmospherics on behavioral intentions through quality perception. Journal of Services Marketing.

Hague, N. & Hague, P. 2018. Customer Satisfaction Surveys & Research: How to Measure CSAT. WWW document. Updated: 2018. Available at: <u>https://www.b2binternational.com/publications/customer-satisfaction-survey/</u> [Accessed 20 March 2018].

Hill, N., Brierley, J. & MacDougall, R. 2003. How to Measure Customer Satisfaction. Gower Publishing.

Hill, N., Roche, G. & Allen, R. 2007. Customer Satisfaction: The Customer Experience through the Customer's Eyes. London, United Kingdom, Cogent Publishing Ltd.

Hill, N. & Alexander, J. 2006. The Handbook of Customer Satisfaction and Loyalty Measurement. Gower Publishing.

Khoshchenko, K. 2015. Satisfaction level of Löydön Kartano among Russian customers. Bachelor's thesis.

Kotler, P. & Armstrong, G. 2010. Principles of Marketing. Pearson Education.

Kotler P., Bowen, J. & Makens, J. 2013. Marketing for hospitality and tourism. Pearson education, Inc. Upper Saddle river.

Kotler, P. & Keller, K. 2011. Marketing Management. 14th Edition. Pearson Education.

Lappalainen, T. & Siermala, J. 2015. Pannukakkutalo avaa viimein ovensa Mikkelissä. WWW document. Updated: 2015. Available at: <u>https://lansisavo.fi/uutiset/lahella/50b69550-1cb5-48e1-90de-896387ff80a6</u> [Accessed 1 April 2018].

Lu et al. 2012. Effects of Dissatisfaction on Customer Repurchase. Journal of Electronic Commerce Research. Vol. 13, No 3.

Lundgren, J. & Häyhtiö, M. 2014. Pannariksi meni. . WWW document. Updated: 2014. Available at: <u>http://www.radiopori.fi/uutiset/pannariksi-meni</u> [Accessed 1 April 2018].

Oliver, R. 2015. Satisfaction: A Behavioral Perspective on the Consumer. New York: McGraw Hill.

Park, Y., Heo, P. & Rim, M. 2008. Measurement of a Customer Satisfaction Index for Improvement of Mobile RFID Services in Korea. Updated: 2008. Available at: <u>https://onlinelibrary.wiley.com/doi/pdf/10.4218/etrij.08.1308.0059</u> [Accessed 27 April 2018].

Paul, R. 2013. The Definition of Value: It's Complicated. WWW document. Updated: 2013. Available at: <u>http://blogs.technomic.com/the-definition-of-value-its-complicated</u> [Accessed 2 April 2018].

Perner, L. 2018. Consumer Research Methods. WWW document. Updated: 2018. Available at:

http://www.consumerpsychologist.com/cb_Research_Methods.html [Accessed 3 April 2018].

Petrash, A. 2017. Degustation as a restaurant promotion tool. Bachelor's thesis.

Petzer, D. 2014. Dining atmospherics and food and service quality as predictors of customer satisfaction at sit-down restaurants. WWW document. Updated: 2014. Available at:

http://www.ajhtl.com/uploads/7/1/6/3/7163688/article_37_vol_3_2_nov_2014.pdf [Accessed 20 March 2018].

Reichheld, F. & Markey, R. 2011. The Ultimate Question 2.0: How Net Promoter Companies Thrive in a Customer-driven World. Harvard Business Press.

Ryu, K., Lee, H. & Kim, W.G. 2012. The influence of the quality of the physical environment, food, and service on restaurant image, customer perceived value, customer satisfaction, and behavioral intentions. International Journal of Contemporary Hospitality Management.

SAGE journals Tourism and Hospitality Research WWW document. Updated: 2018. Available at: <u>http://journals.sagepub.com/doi/abs/</u> [Accessed 21 March 2018].

Tesfom, G. & Birch, N.J. 2011. Do switching barriers in the retail banking industry influence bank customers in different age groups differently. Journal of Services Marketing.

Zeithaml V., Bitner, M. & Gremler, D. 2017. Services Marketing: Integrating Customer Focus across the Firm. New York: McGraw-Hill.

LIST OF FIGURES

Figure 1. Swiss Customer Satisfaction Index (Grigoroudis & Siskos 2010, 214).

Figure 2. Various survey methods as quantitative research (Perner, L. 2018).

Figure 3. Various methods of qualitative research (Bacon-Shone, J. 2015).

Figure 4. Different steps of customer satisfaction measurement and improvement.

Figure 5. Satisfaction, behavior in relation to complaints and the preservation of consumers (Best, R. 2014, 21).

Figure 6. Different phases of data collection.

Figure 7. Different reasons that attracted the guests to Pannukakkutalo.

Figure 8. Customer satisfaction of Buffet event with the different aspects of satisfaction.

Figure 9. The willingness of customers to come again.

Figure 10. Additional information from the guests.

Figure 11. Different reasons that attracted the guests to Pannukakkutalo.

Figure 12. Customer satisfaction of Buffet event with the different aspects of satisfaction.

Figure 13. Additional information from the guests.

Appendix 1

Questionnaire 1. Is the first time you have been to Pannukakkutalo restaurant? italo Yes 0 PANCAKE RESTAURANT No 0 2. What attracted you to Pannukakkutalo restaurant? o Pancakes Festival • Hunger o Attractive advertisement o Recommendation from friends • Other (please, specify) 3. Do you like the idea of Pancakes Festival? Yes 0 No 0 4. Please indicate your level of satisfaction with the following aspects of the Pancakes Festival: Very Dissatisfied Neutral Satisfied Very dissatisfied satisfied Value for ()_) ()()) money Quality of food Service Menu variety Atmosphere

- 5. Would you visit Pannukakkutalo again?
 - Very likely
 - Somewhat likely
 - o Neutral
 - o Somewhat unlikely
 - Very unlikely
- 6. Is there anything else you'd like to tell us?

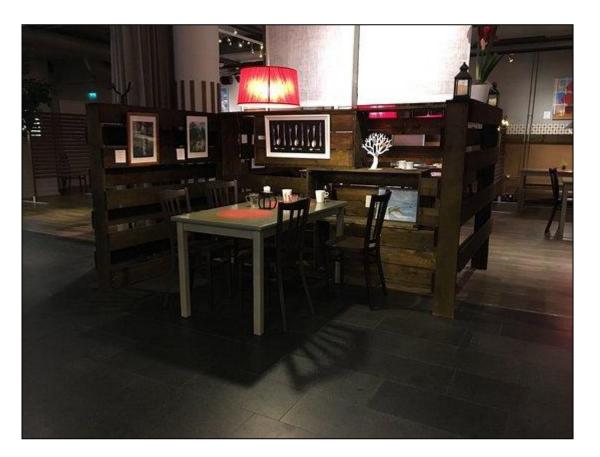
Thank you!







Appendix 2



42



Appendix 3

Questionnaire 1. Is it the first time you are in Pannukakkutalo restaurant? 0 Yes No 0 2. Was degustation a good experience for you? 0 Yes O Rather yes than no • Neutral • Rather no than yes 0 No 3. Which pancake did you like the most? 4. How likely is it that you would visit Pannukakkutalo again? • Very likely • Somewhat likely • Neutral • Somewhat unlikely • Very Unlikely Thank you!