

Effect of Service Quality on Customer Satisfaction in Selected Cafeterias: A Structural Equation Modeling Approach

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ABSTRACT

The study was conducted using 20 cafeterias in Greater Accra Region on the effect of service quality dimensions on customer satisfaction in the hospitality industry. Purposive sampling technique was employed for the collection of the study data. Two hundred questionnaires were distributed to the customers of the selected cafeterias. The data gathered was analyzed by employing structural equation modelling (SEM) supported by AMOS 23.0 with maximum likelihood estimation in order to test the proposed hypothesis for the study. From the analysis of the data, tangibility was statistically having significant relationship with customer satisfaction. The result indicates that responsiveness, empathy, and assurance have insignificant relationships with customer satisfaction of the selected cafeterias.

KEYWORDS

Cafeteria Services, Customer Satisfaction, Hospitality, Service Quality, Service Quality Dimensions

INTRODUCTION

Service quality is one of the key factors that influence customers to make a decision on a given product. It plays a significant role in conventional and service industries. According to (Arokiasamy & Huam, 2014) indicated that customer satisfaction in the service industry especially the hospitality and tourism sector depends on the quality of service and overall experience and firms that are able to satisfy the needs of its customers have a competitive edge over others. According to (Mehta, Lalwani and Han, 2000), organizations over the years have regarded perceived service quality as a strategic tool for positioning as well as means of achieving operational efficiency and improving business performance. Service quality has been seen as critical for the success of organizations because of its close link with customer satisfaction (Gilbert and Veloutsou, 2006) especially in the service industry. This implies that, organizations regard quality as a source of competitive advantage which they always strive to achieve. Additionally, excellent service increases customer retention and leads to repeat customer purchase behaviour (Cronin and Taylor, 1992) which ultimately increases the market share of the companies and generates high revenues. For this reason, restaurant marketers and service

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researchers more often try to study and understand customers' needs and desires on service quality and satisfaction level. The restaurant industry has evolved over the past few decades from merely a meal providing facility to an augmented combination of service associated features. These features are emphasized to satisfy the complementary needs of its customers. This notion of satisfaction is mainly attributed to the quality of service. An interesting development that has occurred in the food service industry is the many changes over the last two decades. A number of multinational companies are attracted by potential market, for instance, the leading fast food chains such as McDonald's, KFC, and Burger King. In Ghana the hospitality industry is 4th in ranking for profitability in the country. One of the main reasons for the growth in the hospitality business is the growth of the mining industry in Ghana. Foreign nationals in the country who are working in the local mines are starting to look for food and entertainment in these areas, which is creating a spin-off business boom, thus calling for quality service delivery that leads to customer satisfaction. The present study examines the effect of service quality on customer satisfaction in the hospitality industry using twenty (20) cafeterias. The food catering industry has evolved over the past few decades from merely a meal providing facility to an augmented combination of service associated features. These features are emphasized to satisfy the complementary needs of its customers. This notion of satisfaction is mainly attributed to the quality of service (Jones, 2009). This therefore implies that professional, qualified and dedicated staff is needed, at all times not only for quality service delivery but satisfaction of customers. In Ghana, a wide range of food catering establishments are evidenced almost everywhere especially in the city capitals. In Accra, the city capital for instance they range from restaurants, traditional catering outlets to institutional catering facilities such as cafeteria's etc. However, though some studies on service quality on customer satisfaction on food catering establishment is available, much of the study into cafeteria establishments are very scanty or limited. This study would add to the body of knowledge in the area of customers and cafeteria services in the country. Therefore, the present study examines effect of service quality on customer satisfaction using selected cafeterias in Greater Accra Region, Ghana.

Objectives of the Study

The study seeks to achieve the following research objectives:

- Evaluate the impact of service quality dimensions on customer satisfaction at the cafeteria.

Research Questions

How does their service quality dimension (tangible, assurance, responsiveness and empathy) impact on customer satisfaction at the cafeterias?

Research Hypothesis

- H₁:** Tangible has significance relationship with customer satisfaction at the cafeteria.
H₂: Assurance has significance relationship with customer satisfaction at the cafeteria.
H₃: Responsiveness has significance relationship with customer satisfaction at the cafeteria.
H₄: Empathy has significance relationship with customer satisfaction at the cafeteria.

LITERATURE REVIEW

Cafeteria food services are found in most facilities within our communities in Ghana. They are found in our schools and universities campuses, hospital facilities, institutions and other government organizations. Most of these institutions have cafeteria in their premises where they service food items for the staff, students or even to the general community. The services are often rendered to these people to prevent them from walking a long distance in search of food especially when it is lunch time. The

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