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Addis Ababa University
Faculty of Business and Economics
MBA Program

Service Quality in Addis Ababa Restaurants
Vis-à-vis Price

(Cases from Arada, Gulelle, and Kirkos Sub-Cities)

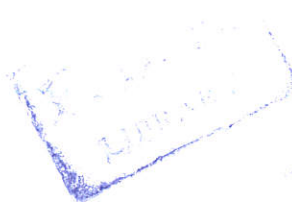
A Project paper in Partial Fulfillment of the requirements for Master of Business
Administration Degree

Project Advisor:

Krishna G. Murthy (Professor)

By:

Getahun Mekonnen



June 2008
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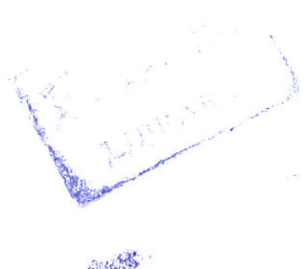
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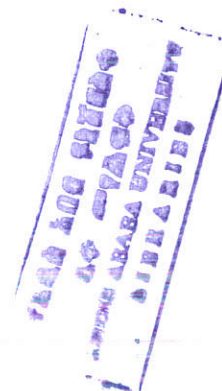
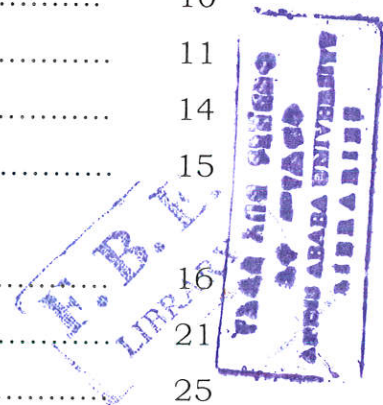


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Abstract

Perceived service quality as measured by five dimensions of service quality and price is the central point of discussion in this study. The inquiry was to scrutinize a gap between customers' service quality expectations and customers' service quality perceptions (experience). Customer survey was conducted by administering a questionnaire designed by incorporating the five dimensions of SERVQUAL and price.

The five dimensions of service quality are accepted by Customers. The most favored dimension of the five is tangibles. Responsiveness and empathy are the second favored dimensions by customers. Reliability and assurance follow being the third and fourth. However, restaurants are not performing well with respect to empathy, tangibles, reliability. A slightly equal proportion of respondents stood in opposite directions with respect to price as an indicator of service quality.



CHAPTER ONE

INTRODUCTION



1.1. Background of the study

In this era of service economy, virtually all organizations are engaged in providing services though the extent differs among different firms. Some firms like manufactures and merchandisers are said to be engaged in service rendering when they process orders (transaction), distribute and deliver goods. The issue is even more sensitive if the activities are performed in the presence of the customer.

On the other side, we all consume services as part of our every day life (Barron and Harris, 2003). A day in our life may involve, for example listening to a favorite radio program, traveling on a train or a bus, visiting the shops and buying a snack at lunch time, arranging a dental appointment, attending lectures or tutorials, and so on.

Therefore, withstanding the fact that service quality is a highly abstract construct when compared to goods where technical aspects of quality often dominate (Palmer and Cole, 1995), and the fact that researches are scarce in the area (to the best of the researcher's knowledge, there are no researches conducted in the price and service quality of restaurants); it is worth raising the issue, since it makes it at least an interest in the minds of concerned parties.

Most of us, as dwellers of Addis Ababa, have an experience in consuming the services of cafeterias and restaurants in the city. It is common to observe a clear price difference between similar restaurants. Even those located at the same or adjacent premises charge quite a different price. Sometimes a real variation can be observed in the services these restaurants are rendering; sometimes no variation is perceptible. This leads us to judge the price difference as fair or unfair. Or it might give a different meaning.

This judgment plays a significant role in determining a customer's loyalty to the firm. The issue is directly related to the success/failure of a firm; because the purpose of an enterprise is to gain and keep customers. It is self evident that, without customers in sufficient and steady numbers, there is no business success. And



no business can function effectively without a clear view of what customers want. This is what quality of service mean.

Though it is difficult to determine the number of restaurants which are actually in operation based on these figures, there are about 1912 restaurant trade licenses issued in Addis Ababa as presented below.

Sub-city	Number of licenses
Addis Ketema	206
Akaki-Kality	76
Arada	408
Bole	234
Gullele	52
Kirkos	466
Kolfe-Keranio	113
Lideta	126
Nefaslilk-Lafto	122
Yeka	109
Total	1912



Source: Synthesized from data collected from Trade and Industry Bureau of the City Administration.

The above table shows the number of restaurant trade licenses in each sub-city. The study took sample of restaurants from this big population.

1.2. Statement of the problem

No organization needs to provide a poor quality service to its customers. Every firm tries to render a quality service; and defines quality.

In spite of a strong commitment and sincere desire to provide quality service, many companies fall dramatically short of the market, usually because they have an internally directed focus. An internally directed focus as Wing (1993) explained assumes that the company knows what customers should want and delivers or produces it.

On the other hand, the customer defines (expects and perceives) quality of a service. However, services are difficult to assess. Because these merely intangible products are typically not homogeneous, a buyer can not always determine the quality of a service before hand. This applies especially with regard to services that customers are not familiar with or those services having little



search attributes. Here, Price will be often used as an indicator of quality (Kasper, et al 1999).

On the basis of the theoretical frame work that consumers use price as a proxy to know service quality (Rao, 2005), the price difference among the competing restaurants in Addis Ababa is believed to have an impact on their success/failure.

Amaldos and Jain (2005) said that, setting a high or a low price both can be reasons for a reduction in demand. This is because; price decisions affect customers' expectations and their perception of service quality in one hand; and the service organization's ability to render quality services in the other hand. If two outwardly similar restaurants charge different prices for similar meals, the perception may be made that the higher priced restaurant must provide a higher standard of service, which the customer will subsequently expect to be delivered. The service delivery of restaurants is assessed against this benchmark.

Customer expects some level of price and service quality; then perceives price and service quality as high or low. While any price position along a line from high price/high quality to low price/low

quality may be feasible, high price/low quality and low price/high quality positions are not generally sustainable in the long term. Therefore, an optimum match between the service provider's and the service consumer's attitude and perception is desirable for firms to be successful.

Thus, the study tries to address the following research questions:

- ♣ Is there a gap between the customers' expectations of the level of service quality and their experience (perception) of actual service quality?
- ♣ Do customers take price as an indicator for service quality?
- ♣ What other factors are considered by the consumer to have an impact on service quality?

1.3. Objectives of the study

This study intends; to discover customers' evaluation of service quality of restaurants in Addis Ababa, and to investigate whether or not customers use price as an indicator for service quality. The implications of these facts to the management of restaurants are also incorporated. In more specific terms, this study is designed to:

- ♣ Examine if the service provided by restaurants is as what customers expect it to be. That is, assess what do

customers expect, what is actually delivered, and what do customers perceive.

- ♣ Identify factors that have implications on service quality
- ♣ Try to understand if service receivers think that they are getting what they paid for.
- ♣ Examine the reaction of the consumer to price changes/differences
- ♣ Propose appropriate recommendations to the service providers based on study findings

1.4. Significance of the study

Now is the time of entry for small and flourishing businesses to the service sector. Amongst these, restaurants are easily visible and with close contact with the consumer. A significant number of such firms are in the market. It is common to observe more than one restaurant in the same premises. As new buildings are constructed we commonly observe one restaurant opened in that building. This indicates the increasing probability of intensity of competition between restaurants in Addis Ababa. Attracting and retaining a sufficient number of customers is key success criteria for firms. Therefore, providing quality services that meet the expectations of

customers and surviving in the market is not an issue that can be set aside for these firms. The study can provide important ideas for these restaurants in this regard.

Moreover, the study is an attempt to shade light in the scarcity of research in the area and serve as a source of important research ideas in the field in Ethiopia. Besides, this study has an academic importance. It gives the researcher an experience and an insight to conduct further studies in the area of service marketing in Ethiopia.

1.5. Scope and delimitations of the study

The study is based on a survey taking a sample of customers from a sample of restaurants selected from a sample of three sub-cities of Addis Ababa, namely Gullele, Arada, and Kirkos. The gap between what customers expect concerning service quality and price and their perception after experiencing the service is the main focus of the study. The findings from these restaurants were systematically analyzed and interpreted to have an implication to service quality of restaurants in general. The pricing strategies of restaurant managers (owners) are not incorporated in the study. The effect of inflation in the study is not analyzed in the study.



1.6. Limitations

This study needs a large number of customers of restaurants probabilistically selected from all sub-cities. However, from only three Sub-cities, 20 restaurants were included in the survey as the time and capacity of the researcher is limited. Samples are selected based on convenience. This may have an implication on the representativeness of the sample. An effort has been exerted to minimize this risk by considering restaurant at different level (as judged by the researcher).

There is a shared understanding among scholars for example Palmer and Cole (1995) that consumers usually perceive price to be unfair by disregarding the effect of inflation when looking at past prices, when looking across competitors. Consumers attribute price difference to profit rather than cost, and cost categories beyond the cost of goods sold are ignored by customers.

The current inflation in the nation may create a problem in the study by distorting the perception of customers on one hand and possibly by causing temptation in the service provider to increase price by taking inflation as a pretext to set unreasonably high price on the other hand.

Therefore, it is logical to consider the possibility of response bias by selected respondents as a limitation in finding out genuine information concerning the subject matter.

1.7. Methodology

1.7.1. Sources of data

This study is based on primary and secondary data. Primary data are data collected through a questionnaire designed and distributed to randomly selected customers of some selected restaurants from selected sub-cities –Gulelle, Arada, and Kirkos.

Books, web sites, and journals constitute the principal secondary data sources, Books written in the area of marketing, service marketing, customer behavior, service quality etc...‘and ideas of different authors in the area mainly published in the Journal of Marketing, Journal of Marketing Research, and Journal of Consumer Research are among these data sources.



1.7.2. Sampling design and instruments

Three levels of sampling were carried out in the study. In the first level, three sub-cities of Addis Ababa were non-probabilistically selected. Convenience was used as a criterion to select the Sub-cities. That is, sub-cities that are easily accessible taking the Residence, University, and Working area of the researcher are selected to be in the sample. The reason of having different sub-cities is to incorporate heterogeneity in the sample. This is believed by the researcher to reduce the possibility of making generalizations based on the interest of a few groups' interest.

In Gullele, restaurants that serve diversified type of customers are observed. Most of them are least priced as compared with the rest two. In Arada, most of the restaurants are moderate in price again comparison is among the three groups. In Kirkos (along bole road) most restaurants are high priced as compared with the other two sub-cities.

The second level is selecting restaurants. A sample of 20 restaurants was selected. The restaurants mainly serve different meals. These restaurants were selected by taking convenience, accessibility, and willingness of the owner or manager of the restaurant into account.



The third level is the selection of a total of 300 customers. To get these 300 customers, I went to a restaurant and selected between 10 and 20 individuals depending on the presence of good number of users in the restaurant. In the restaurants the main services are meals. Therefore, the number of customers increases during lunch time. This makes this time appropriate and convenient to contact customers.

Carefully designed questionnaire (attached in the appendix) was administered on the sample of customers. The questionnaire was designed taking the SERVQUAL model developed by Valarie A. Zeithaml, A. Parasuraman, and Leonard L. Berry in 1985 as the main source of idea¹. In addition, some attributes related with price are included in the questionnaire.[¶] A five point Likert scale arranged from strongly agree (5) to strongly disagree (1) was used to measure the different constructs. In the questionnaire, questions designed to know if customers accept the five dimensions of quality and to record the expectations and perceptions of customers regarding these dimensions are included.[¶] The same approach was used with

¹ The questionnaire is developed by the researcher taking the five quality dimensions from SERVQUAL. It is not adopted from some other source.

respect to price. I prepared the questions in Amharic and English versions.

This questionnaire was first administered on a pilot of ten individuals. My MBA student colleagues were among these individuals. They gave me important suggestions in the wordings. I then examined if the message is transmitted as intended and made important adjustments in the light of these comments.

Customers included in the sample filled questionnaires with a limited attendance of the researcher. This played a major role on the collectivity of the questionnaire and gave an opportunity to assist respondents and minimize the chance of misunderstanding the questions. Questionnaires were distributed based on the willingness of the respondent; therefore, all the respondents who willingly accepted a questionnaire returned it. There were no uncollected questionnaires distributed to customers. However, some restaurant owners (or managers) were not willing to let me distribute questionnaires to their customers. This time, the alternative is just going to another restaurant.

1.7.3.Data analysis

The collected data were arranged, organized, and summarized in such a way that it will be convenient to take measurements. Mainly, the gap between what a customer expects about a service quality and the customers' perception of the quality of service actually delivered by the restaurant is analyzed. Gaps related with the five quality dimensions (i.e. tangibles, reliability, assurance, responsiveness, and empathy) and related with customers' price expectations and perceptions were calculated and summarized using tables.

To calculate the gap, this formula is used:

$$\text{Gap} = \text{Perception} - \text{Expectation}$$

If the result is zero, it indicates no gap. If it is positive, it means perception exceeds expectation. If it is negative, perception falls short of expectation. Therefore, the mean gap score indicates that: the higher the mean score the higher perceived quality of services; the lower the score, the lower the perceived quality of services.

Though implication of average scores is as indicated above, these scores might not sometimes indicate details. Because service quality determines the success of the service rendering organization, it



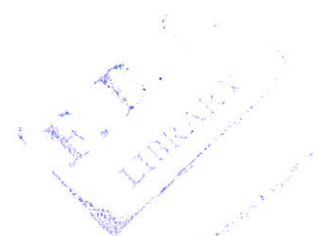
needs detailed examination of the service provider. Therefore, gap scores were also summarized and percentages of every gap score were calculated.

Finally conclusions are drawn from the measurements and analyses. And based on these, some recommendations are forwarded.



1.8. Organization of the paper

The paper is organized in four chapters. The first chapter is the introduction that tries to communicate the research problem, the objective the methodology and other important facts about the study. The second chapter is review of specifically tailored literature to the subject matter. The third chapter is the data presentation, analysis, and interpretation. The last chapter (fourth chapter) presents summary of the findings of the study, conclusions drawn, and relevant recommendations forwarded.



CHAPTER TWO

REVIEW OF LITERATURE

In this section, the views of different scholars in the field of service marketing are presented. In addition, research findings which are believed to have significant contribution in understanding the basic construct of this study discussed.

2.1 Definitions and basic concepts

For the success of a service giving organization, quality plays an important role, because a firm can have loyal customers if it provides quality services. That is why Barron and Haris (2003) said quality is the life blood of an organization that brings patronage, competitive advantage, and long term profitability.

Quality is the principal factor that differentiates service providers. It is sensitive to consumers because in most cases in restaurants the service providing process takes place in the presence of the customer. This inevitably creates either a positive or a negative

Plamor and Cole (1995), share this idea saying:

Quality is an important factor used by customers to evaluate the services of one organization in comparison with the offers of the other. Quality is seen as an increasingly important element that differentiates between competing services.

And they further tried to indicate why service providers fail to satisfy their customers by providing quality services:

One of the prime causes of poor quality performance by service firms is, not knowing what their customers expect.

We can now understand that whatever effort can be made by service providers to offer quality services, if they fail to define quality on the basis of what customers want; that will bring no proceeds to them. This means, quality must be defined by customer, not by firms. This is the view of different scholars in the area. Wing (1993) for instance explains the disadvantage of an internally directed focus to define quality as:

This orientation often leads to providing products and services that do not match customers' expectations – important features and

benefits may be left out and level of performance may be inadequate.

Baron and Hennis (2003) are the advocates of this approach of defining service quality by customers. They argue that service quality should be defined in terms of the perception of the consumer and the satisfaction that is derived from consuming it. They use perceived service quality in exchange for service quality and view customer satisfaction as described below.

Perceived service quality: the degree and direction of the gap between consumers' perceptions and expectations (of service).

Consumer satisfaction: a function of the similarities between the consumer's expectations and the perceived performance of the purchase

According to them, a service firm should strive to fill the customers' expectation gap. They; and Kasper, et al (1999) also recommend the application of a research approach called SERVQUAL to know the consumers expectation and fill the gap.

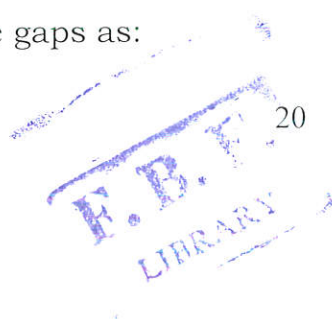
Perceived quality as sited in Bei, et.al (2001) could in general be defined as the consumer's judgment about a product's overall



excellence or superiority. They added that perceived quality is (1) different from objective or actual quality, (2) a higher-level abstraction rather than a specific attribute of a product, (3) a global assessment that in some cases resembles attitude, and (4) a judgment usually made within a consumer's evoked set. "Objective quality" is the term used in the literature to describe the actual technical superiority or excellence of the products (Zeithaml 1988).

From this what we can understand is lower perceived quality may not necessarily be low quality and vice-versa. What matters is the perception of consumers. If the perceived service performance is lower than what was expected by the consumer, this means lower service quality for the consumer. And if the perceived quality of service is higher than expectation of consumers, this means higher quality of service. That is why there is an increased tendency to analyze this gap in today's increasingly competitive businesses.

According to Peter and Donnelly (2000) problems in the determination of good service quality are attributable to differences in the expectation and perception or experiences regarding the encounter between the service provider and consumer. They also summarized the gaps as:



1. The gap between consumer expectations and management perceptions of the consumer expectations
2. The gap between management perceptions of consumer expectations and firm's service quality specifications
3. The gap between service quality specifications and actual service quality
4. The gap between actual service delivery and external communications about the service.

They also argued that, to fill the gaps, management should be aware of the basic determinants of service quality. These are: (1) tangibles (2) reliability (3) responsiveness (4) assurance and (5) empathy. These five determinants of service quality are similar with the five dimensions of service quality determinants identified by the SERVQUAL model discussed below.

2.2 SERVQUAL Model

SERVQUAL developed by Valarie A. Zeithaml, A. Parasuraman, and Leonard L. Berry (1985) is a technique that can be used for performing a gap analysis of an organization's service quality performance against customer service quality needs. Here, in



addition to the four gaps presented by Peter and Donnelly (2000), a fifth gap that is a gap between customers' expectation of service quality and customers' perception of the service quality. This gap is affected by the other four gaps. This study is concerned in this gap. Hereinafter, 'the gap' in this paper means this gap.

The SERVQUAL instrument has five dimensions of service quality emerged across a variety of services. These dimensions include tangibles, reliability, responsiveness, assurance and empathy. (Aga and Safakli, 2007)

The five dimensions as mentioned by the above scholars -Zeithaml et al (1988), Peter and Donnelly (2000) are explained as follows.

Tangibles are related with the appearance of physical facilities, equipment, personnel, and communication materials. These things should have an appealing look.

Reliability involves the consistency and dependability of service performance. That means the service provider should be able to perform the promised service dependably and accurately.

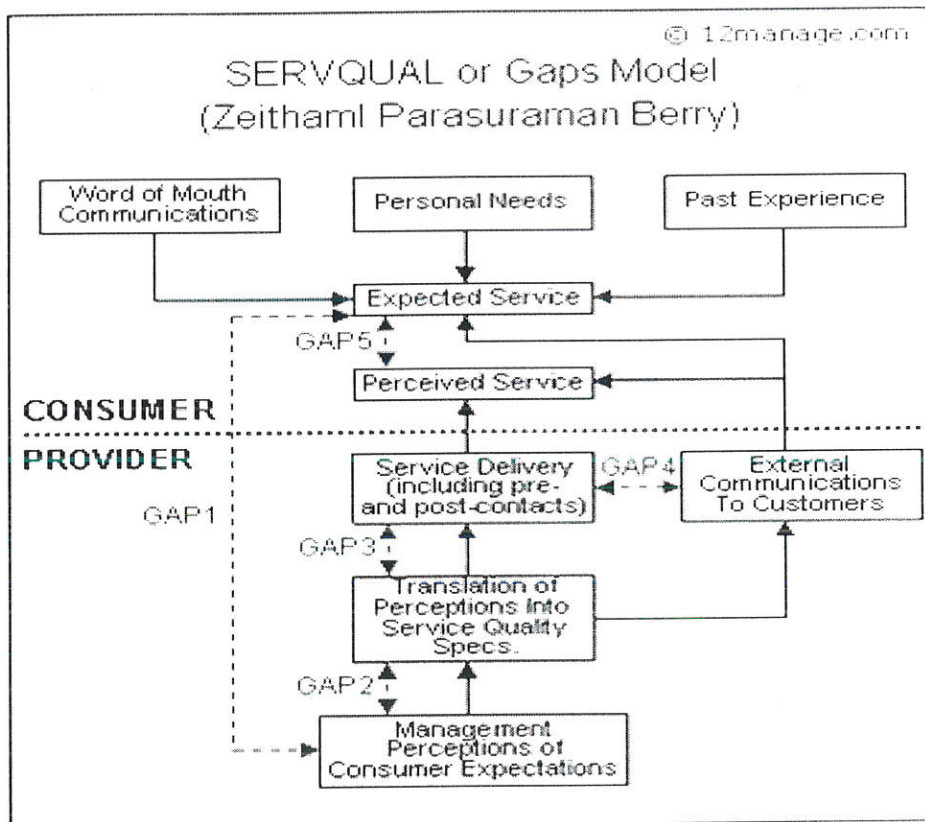
Responsiveness implies the willingness or readiness of employees to provide service promptly.

Assurance implies the knowledge and competence of service providers and the ability to convey trust and confidence.

Empathy refers to the effort of the service providing firm to understand customers' needs and to provide them as best as possible; the service provider's effort to provide care and individualized attention to its customers.

Customers will have an expectation and perception of the service quality as measured against the above five dimensions. What the firm should do is to know the expectation of its customer with respect to these dimensions and try to provide the service up to this expectation and narrow the gap.

As depicted by the figure below, both the customer and the service provider has their own service expectations and perceptions. There may be gaps between perceptions and expectations within the service provider, within the customer, and between the customer and the service provider.



Source: <http://findarticles.com>

As summarized by Paul Fedoroff, SERVQUAL method essentially involves conducting a sample survey of customers so that their perceived service needs are understood. To measure the gap between customers' expectations and perceptions of service quality, customers should be asked different questions within each dimension that determines:

- The relative importance of each attribute.

- A measurement of performance expectations that would relate to an "excellent" company.
- A measurement of performance for the company in question.

This provides an assessment of the gap between desired and actual performance, together with a ranking of the importance of service criteria. This allows an organization to focus its resources to maximize service quality whilst costs are controlled.

2.3 Price as service quality indicator

The other factor (the concern of this study in addition to those we have seen above) is price. Since the quality of services can not be known before actually consumed, the first thing that customers will use to expect the quality level is the price. After actually consuming the service, customers try to compare the service with what they paid. But their judgment is strongly influenced by the perception they have got from the price. This is the central idea shared by researchers in the field. Plamor and Cole (1995), Kasper et al (1999); Bolton et al (2003); and Lovelock (1988) are among the important ones in this respect.



Rao (2005) is also one of the advocates of the argument. Even firms set higher prices to transmit a message of high quality services. Further more, according to Rao, this reaction by customers is unconscious. However, price increases designed to suggest high quality might be perceived as incredible, or the improvements in performance relative to price increase may diminish if the price increase goes beyond some point.

Plamer and Cole (1995) reinforce the idea saying: when all other factors are equal, price can be used by potential customers as a basis for judging service quality. The ways how customers do so are more clarified by Bolton, Warlop and Alba (2003) as: consumers' perception of price fairness is based on past prices, competitor prices, and the firm's costs. They further discussed that consumers usually perceive price to be unfair by disregarding the effect of inflation when looking at past prices, when looking across competitors consumers attribute price difference to profit rather than cost, and cost categories beyond the cost of goods sold are ignored by customers.

This means, service providers should have a strategy to overcome the perception related problems. This is by continually assessing

the consumers' attitudes regarding price. However, firms can not lower their prices below the cost. The compromise should be made after covering the costs. Kasper et al. (1999) suggested the following with respect to setting an optimum service price:

In order to optimize service pricing, the service provider may use his cost generators as a price bottom; however, the actual pricing is better determined by matching the customer's value determinants.

What we can learn from the views of scholars concerning price and service quality is that, quality is the most important factor service firms can use as a strategy to attract and retain a sufficient number of customers. In maintaining high quality image in the minds of the consumer, service providers should know the values of their customers.² This will lead us to what we call perceived service quality. The level of service quality is the function of the firm's ability to meet the expectations of the consumer in a sustainable way. The expectations of the consumer among other things are influenced by price. Therefore, service providers should have an awareness of the existence of a positive link between price and service quality and try to set an optimum price that will narrow the

² Service quality should be defined taking the needs of customers into considerations. These needs are values what customers are expecting to get from services.

gap between the expectation of the consumer that is based on price and the perceived quality.

2.4 Other factors affecting service quality.

The perceived quality of service is affected by different factors. The service convenience, the level of satisfaction of front line workers in the service providing firm, and price are the common ones discussed by scholars in the field. Having an understanding of these factors will help us to come to consent that this paper is not advocating price to be the only factor that influences the customers' perception of service quality.

Service convenience is mentioned by the famous writers in the field of service marketing, Berry et al (2002) as one of the quality aspects of services. As argued by them, this non-monetary impact (service convenience) which is related to the time and effort consumers used to consume the service has also an impact on the price perception of consumers.

Consumers' perceptions of service convenience directly affect their perception of a firm's service quality and their satisfaction with a

specific encounter of experience. Because time and effort are personal resources consumers must give up to buy or use a service, fairness issues also may surface when consumer convenience expectations are violated. (Berry et al., 2002)

As other scholars for example Barron and Harris (2003) also cited it, waiting time for a service (because customers will have a perceived fairness for wait) is one of the key factors influencing customer satisfaction. If customers believe that service providers have a control over the delay, they will have a negative perception.

Delays are often inevitable, but also are a major source of dissatisfaction of customers. How companies are perceived to be handling customers' waiting experiences as part of service recovery can be critical in maintaining customer loyalty. The measurement of service waits can focus on reducing actual waiting times, reducing perceptions of waiting times, or managing the impact of the delay. (Barron and Harris, 2003)

The other very important factor is the level of satisfaction of frontline employees. The issue is also agreed up on by different researchers. For example, the marketing research review results of Hamburg and

Stock (2004) disclose the fact that there is a positive link between employee and customer satisfaction in several industries like fast-food restaurants. And they pronounced that, satisfied workers (sales people) play an important role in creating customer satisfaction unlike the dissatisfied ones. They also have a better opportunity to discuss with customers and identify what customers want. Therefore, keeping them informed about what the organization intends to achieve with respect to quality, developing them, and motivating them is important.

Barron and Harris (2003) also share this. They say, satisfied workers lead to satisfied customers; and dissatisfied workers lead to dissatisfied customers, generating negative word of mouth about the employees and the service workers.

2.5 Research review

A research conducted by Wyckoff concerning Rusty Pelican, restaurants in California, as summarized by Lovelock (1988) revealed the fact that Rusty Pelican's service strategy of hiring knowledgeable servers to provide attentive and personalized cocktail and food service was successful. Performance generally was more a



matter of the enthusiasm of a given staff. Therefore, the company was concerned about how to recruit and train enough capable servers and increase server productivity. Series of discussions were conducted with a group of the employees on how they could believe to increase productivity without reducing service quality. The group also decided to pay particular attention to their communication skills. Results were measured and productivity improvements were observed, customers also rated the company's service quality as being higher.

The company also conducted a customer satisfaction study and found that the firm's service was rated significantly higher than that of competing restaurants. Customers were also willing to pay more for the innovative service (higher quality service).

This indicates that, firms should give attention to their employees when trying to set prices. Without the participation of front line employees, the perceived service quality influenced by price will have a lower rating by customers. To achieve a higher rating by customers, in addition to the effort exerted to identify what customers want, assuring the employees' participation is crucial.

Then after, service providers can successfully set prices that look good with the perception of customers.

Another research conducted by Aga, Mehmet, Safakli, Okan Veli in 2007 taking the case of professional Accounting firms indicate that (1) the SERVQUAL instrument with five-dimensions provides good measurement of service quality; only one (i.e., empathy) out of five dimensions of SERVQUAL was statistically significant related to customer satisfaction, (2) service quality has a positive effect on customer satisfaction, (3) firm image and the price of service have positive impact on customer satisfaction, and (4) the price of service directly influences service quality. The impact on satisfaction from highest to lowest in order was: overall firm image, price compared to quality and service quality (empathy), respectively.

From this research we understand that the SERVQUAL instrument is still an important instrument to conduct service quality survey. And moreover, the impact of price on perception of service quality is empirically investigated.

The discussions in the chapter are concluded in the following paragraphs.

The magnitude and direction of the gap between service expectation and service perception by customers determines the level of service quality.

As pointed out by different scholars (e.g. Aga and Safakli, 2007; Peter and Donnelly, 2000; Zeithaml, et.al, 1985), problems in the determination of good service quality arise when there are differences in the expectations of consumers and management perception of consumer expectations; management perception of consumer expectations and firm's quality specifications; service quality specifications and actual service quality; actual service delivery and external communications about the service.



If there are difference in the way managers and customer view acceptable quality levels, there will be a gap. Sometimes, managers may not even realize the fact that they are providing poor-quality services because of these gaps.

Higher price results in an expectation of higher service quality and lower price in an expectation of lower service quality.

This is an unconscious reaction of customers since they can not have an opportunity to evaluate the quality of the service before hand. Then customers use price as a proxy to evaluate the level of service quality. This means, they expect high service quality from high price and low service quality from low price.

If high price is not backed by improved quality of service that need motivated front line workers, the gap between customer expectation and quality perception increases and causes customer dissatisfaction.

This study has roots in the theoretical frameworks and researches presented in this chapter. Special attention is given to the gap between customers' expectation and perception of service quality. In doing so, the five dimensions of service quality and price are used. The next chapter is the presentation of data, analyses of data, and interpretations of the findings.

CHAPTER THREE

SERVICE QUALITY —CUSTOMER OPINION AND ANALYSIS

Data collected from customers of selected restaurants are presented and analyzed in this section.

The data are mainly focusing on the quality of service delivery as viewed by customers and the impact of price on the customers' perception of service quality. Service quality was evaluated against five SERVQUAL dimensions as mentioned in earlier discussions. Every respondent was asked to give opinion on these five dimensions regarding the expectation that the customer had in relation to these dimensions, and the perception of the customer about the service quality of the restaurant as compared against every dimension.

An attempt was also made to see if customers use price as a proxy to judge service quality and to know whether the price customers pay for services can affect their perception on quality of service. In



the following paragraphs, customers' responses are presented and discussed.

3.1 Customer Opinion on the five quality dimensions

The five quality dimensions are tangibles, reliability, assurance, responsiveness and empathy. The questions presented were:

5. The appearance of physical facilities, equipment, personnel etc... determines (affects) the service quality of a restaurant.
6. Reliability which means consistency and dependability is one of the important attributes to service quality.
7. Workers of an excellent restaurant show willingness or readiness to provide services.
8. Workers of an excellent restaurant do have knowledge and competence to convey trust and confidence in the mind of the customer.
9. The service providers' efforts to understand your needs and provide them as best as possible can be taken as one criteria for service quality.

Table 3.1 summarizes the response of customers concerning these dimensions.



In the table, the total number of respondents who said strongly agree, agree, no opinion, disagree, and strongly disagree as presented in the questionnaire using the five point Likert scale arranged from five (strongly agree) to one (strongly disagree) are presented. The percentage of respondents for each category is also calculated.

Table 3.1 Summary of customer opinion about the five dimensions

	Tangibles	Percentage	Reliability	Percentage	Responsiveness	Percentage	Assurance	Percentage	Empathy	Percentage
Strongly agree	170	56.67	135	45.00	184	61.33	111	37.00	146	48.67
Agree	106	35.33	98	32.67	77	25.67	107	35.67	115	38.33
No opinion	3	1.00	34	11.33	29	9.67	67	22.33	32	10.67
Disagree	20	6.67	33	11.00	10	3.33	6	2.00	6	2.00
Strongly disagree	1	0.33	0	0	0	0	9	3.00	1	0.33
Total	300	100	300	100	300	100	300	100	300	100

Source: Analysis of questionnaire

For the tangibles, 276 respondents (92%) out of 300 said they agree in the concept that tangibles which means the physical appearance of equipment and facilities in a restaurant and the dressing and appearance of employees (front line workers) has an impact on the quality of service. Only 21 (7%) disagree in this dimension; while 3 (1%) gave no opinion in this issue. This means customer share the idea that tangibles have impact on service quality.

Most of the respondents (233, which is 77.67%) said reliability is an indicator of service quality, 33 (i.e. 11%) disagree in the idea, and 34 respondents (i.e. 11.33%) proposed no opinion regarding this issue. Here again, we can say that reliability is also a service quality dimension in the minds of customers.

Coming to responsiveness, a very good number of the respondents (261 respondents out of 300, which are 87%) accept it to be one dimension determining the quality of service in restaurants. Only 10 of them (3.33%) disagree in this idea. The rest 29 of the respondents (9.67%) gave no opinion.

With respect to assurance, 218 respondents (72.67%) agree in the idea that it is one of the quality dimensions. Eighteen of the

respondents (6%) stood against this idea, while the rest 67 of them (22.33%) chose to give no opinion.

Again a very good number of the respondents (261) which constitutes 87% agree in the idea that empathy is an important dimension to evaluate service quality. Only seven of them (2.33%) disagree in this dimension. The rest 32 (i.e. 10.67%) gave no idea.

As we can see from the above paragraphs, the least supported dimension is assurance with 72.67% yet a good proportion. This means all the five dimensions are mostly accepted dimensions by customers.



Coming to the priority given by customers tangibles stood first, followed by responsiveness and empathy (87% agreed in these dimensions), the third one is reliability. Assurance is the least prioritized dimension. Perhaps customers might think that restaurant services do not require much knowledge and skill.

3.2 Gap Analysis

The purpose of conducting gap analysis is to know if the expectation of customers regarding the quality of services is met, exceeded, or

not met. The gap is calculated by subtracting customer expectation from customer perception of the service received. Therefore, if the customers' perception and the customers' expectation are equal, there will be no gap. A positive gap indicates that the perception of customers about service quality is greater than what they were expecting. When the perception of customers about the quality of service they receive falls short of their expectation, there will be a negative gap.

In the following table, the gap between what customers expect regarding these five dimensions and what they actually get (as perceived by them) is presented.

Table 3.2 Summary of gap and respondent percentage

	No gap	Positive gap			Negative gap			Total
		1	2	3	-1	-2	-3	
On tangibles	111	57	10	4	97	15	5	300
Percentage	37	19	3.33	1.33	32.67	5	1.67	100
On reliability	96	62	14	4	106	9	9	300
Percentage	32	20.67	4.67	1.33	35.33	3	3	100
On responsiveness	141	72	18	5	39	15	10	300
Percentage	47	24	6	1.67	13	5	3.33	100
On assurance	120	116	9	9	39	7	0	300
Percentage	40	38.67	3	3	13	2.33	0	100
On empathy	121	53	19	0	73	20	14	300
Percentage	40.33	17.67	6.33	0	24.33	6.67	4.67	100

Source: Analysis of Questionnaire

From the above table, we can examine the extent to which restaurants are satisfying their customers through providing quality services as measured by the five quality dimensions.

Regarding the tangibles; 111 respondents have no gap, 57 have a positive gap of 1, ten of them have a gap of 2, and 4 of them have a gap of 3. Customers will consider the quality of services as low if their perception is lower than their expectation. Therefore, for 39.44% of the respondents, quality of service is low with respect to tangibles.

On the other side, 60.66% of the respondents (including those with no gap) do not consider quality of services as low. From this group, only 23.66% will be happy with the quality. This means, the proportion of those with a positive gap is lesser than those with a negative gap. This leads to a negative average which indicates a higher proportion of dissatisfied customers than satisfied ones. (See table 3.3 below)

On reliability, a significant number (124) of respondents which constitute 40.33% of the entire respondents have negative gaps. This means, their expectations fall short of what they perceive regarding the reliability of service delivery in the restaurants.

Of these respondents, 80 individuals (26.67%) have positive gaps. This means they perceive service quality with respect to this

attribute (reliability) is higher than what they expect. That is this proportion of customers is satisfied. When compared with the proportion of dissatisfied customers (40.33%), it is less though the total proportion of having no gaps and positive gaps (58.67%) seem high.

Responsiveness and Assurance are the only variables where there is higher proportion of satisfied customers from dissatisfied customers.

For the responsiveness attribute, only 64 respondents (21.33%) are dissatisfied (have negative gaps). A total of 236 respondents 78.67 % have their expectations met or exceeded. From this group, 95 have positive gap. This proportion is more than offset that of those who have negative gap. This implies that restaurants are performing well with respect to responsiveness.

Assurance is the least prioritized but highest rated service quality dimension of the five. This strengthens the suspicion that the customer expects less knowledge and skill from workers of restaurants. And hence the actual perception concerning this attribute is high. This fact is reflected by the proportion of customers having negative gaps (15.33%). The rest 84.67% have no

gaps or positive gaps. This implies that restaurants are strong in this attribute of service quality.

Empathy is the least rated service quality attribute of the five. The highest proportion (35.67%) of customers having negative gap is recorded on empathy. The number of respondents whose expectations are exceeded is 72; while the number of those whose expectations are above their perception is 107. This is a significantly high difference. Therefore, this attribute has a negative average implying that restaurants have to do more with respect to empathy.

When gap analysis is used, the average gap is usually taken as an indicator for high or low service quality. If the average value is negative, this indicates low service quality. If the average value is positive, it indicates high service quality.

The following table (table 3.3) shows the average gap score of the five dimensions. The total gaps are divided by 300 to determine average gap. The scores seem inconsistent with the above table (table 3.2). The difference comes due to the magnitude difference between positive scores and negative scores. Moreover, the average gap does not reflect the zero gaps. For example, as indicated in table 3.2, the



percentage of respondents having positive gaps (which means whose perceptions exceed the expectation) is 23.66%; while the proportion of those having negative gap is 41.33%. Therefore, it is logical that the total and average gaps for tangibles (which are rated by 60.66% of the customers as met or exceeded) are negative.

Table 3.3 Average gap score of the five dimensions

Dimension	Total gap	Average gap
Tangibles	-53	-0.1767
Reliability	-49	-0.1633
Responsiveness	21	0.0700
Assurance	108	0.3600
Empathy	-64	-0.2133

Source: Analysis of Questionnaire

What we have discussed in the above paragraphs, is clearly visible in table 3.3. The higher the average score, the higher the perceived quality of service; the lower the average score, the lower the perceived quality of service. This implies that, the dimensions are ranked in the order from the highest to the lowest as: assurance (mean score = 0.36), responsiveness (mean score = 0.07), reliability



(mean score = -0.1633), tangibles (mean score = -0.1767), and empathy (mean score = -0.2133).

To check if there is inconsistency in response (response bias) with regard to reliability and empathy, questions were forwarded in different wordings. These questions were:

- The restaurant's workers strive to give an error free service.
- Workers of the restaurant are capable of understanding your individual desires and provide you with them.

The responses of these two questions are summarized in the following table.

Table 3.4 summary of customer opinion on reliability and empathy

	Error free service	Percentage	Reliability	Percentage	Individualized services	Percentage	Empathy	Percentage
Strongly agree	68	22.67	135	45.00	63	21	146	48.67
Agree	150	50	98	32.67	115	38.33	115	38.33
No opinion	48	16	34	11.33	63	21	32	10.67
Disagree	30	10	33	11.00	44	14.67	6	2.00
Strongly disagree	5	1.33	0	0	15	5	1	0.33
Total	300	100	300	100	300	100	300	100

Source: Analysis of Questionnaire

The first question was forwarded to supplement the question related with reliability perception of customers. As we can see in the table, although there is a difference in the percentage of respondents who said strongly agree, and agree; the total of these two doesn't have significant difference (72.67% and 77.67%). When we take customers who took disagree and strongly disagree positions, the proportion is almost the same. Therefore, we can not opt to conclude that there is a significant response bias.

The second question intended to express empathy in different wordings. However in the proportion of customers who took a strongly agree position, there is a significant ($48.67\% - 21\% = 27.67\%$) difference. This strengthens the implication that restaurants should do more towards improving this dimension.

There is also a more number of respondents who took the opposite position in this question. Again the difference here could reduce the average gap score more.

To sum up, the order of importance and the quality rating of the five SERVQUAL dimensions would not have a different meaning as a result of response bias by customers.

Respondents were also asked a question to give their opinions regarding other factors that affect the quality of services in restaurants. This was the question:

- What other factors can determine the quality of service in a restaurant?



Of the total respondents, 119 did not respond to this open-ended question. The rest gave some points to this question. Most of the ideas raised are similar and proposed around the five quality dimensions. We can some of them which can be taken as unique though not different from the quality attributes used in the model.



Showing all the alternative services the restaurant is providing to the customer, giving individual oriented service, having multi-lingual waiters, specializing on some service and gaining excellence in that, service time, location of the restaurant, balanced number of waiters and customers, smile, having good image to customers, cleanness of the dishes, workers and kitchen; ethics, increasing the quality of service as the price increases, avoiding miscalculations (for example refusing to give water so that the customer will buy something to substitute water.), the business mentality of owners, are among the

most important points forwarded regarding the factors that affect quality of service in a restaurant.

All the ideas raised by respondents as presented in the above paragraph are related with the five dimensions of service quality. These implies that, the dimensions of we used to measure service quality are appropriate ways of measuring quality of services.

3.3 Customer opinion on Price

Some questions were forwarded to customers of the selected restaurants with the purpose of knowing if price is used as a proxy to evaluate quality of services, if price affects the quality perception of customers.

These were the questions:

- Price is an indicator for service quality. (High price implies high service quality, and low price indicates low quality).
- You come to the restaurant with an expectation of fair price
- The quality of service is equivalent to what you paid for
- When compared with other similar restaurants the price you pay for the service here is Low

- When compared with other similar restaurants the price you pay for the service here is High

Table 3.5 Summary of customer opinion on whether or not price serves as an indicator for service quality

	Price indicates Quality of service	Percentage
Strongly agree	48	16.00
Agree	83	27.67
No opinion	34	11.33
Disagree	82	27.33
Strongly disagree	53	17.67
Total	300	100

Source: Analysis of Questionnaire

Respondents seem to have less confidence in price as an indicator of service quality. However, a significant proportion of them (43.67%) accept price to be an indicator for service quality. A slightly higher proportion of respondents (45%) stood in the opposite direction while 11.33% chose to be reserved. 43.67% is not a small amount

when compared with 45%. Therefore, it is very difficult to reject price from being an important attribute that affects service quality perception of customers.

Table 3.6 Summary of the gap between customer expectation and perception about price

	No gap	Positive gap		Negative gap			Total
		1	2	-1	-2	-3	
Perception gap of customers on price	121	73	24	53	24	5	300
Percentage	40.33	24.33	8.0	17.67	8.0	1.67	100

Source: Analysis of Questionnaire

Gaps can also be observed for price perception of customers. The proportion of customers with positive gaps (32.33%) is higher than the proportion of those with negative gap scores (27.34%). The average gap score is 0.0167. This means there is a positive mean gap score. It is an indicator of higher fair price perception than expectation.



The scores of customer price perception and overall quality perception are summarized in the following table. (Table 3.7)

Table 3.7 Customer price perception and overall quality evaluation

	Fair price perception	Percentage	Overall service quality	Percentage
Strongly agree	73	24.33	97	32.33
Agree	111	37	140	46.67
No opinion	53	17.67	24	8
Disagree	48	16	24	8
Strongly disagree	15	5	15	5
Total	300	100	300	100

Source: Analysis of Questionnaire

In the above table, we observe that both price perception and overall quality evaluation of restaurants by their customers have a proportion of customers increasing or decreasing in the same direction except a significant difference is recorded in the proportion

of customers who chose to take no position. This implies that, customers who are satisfied by price are also satisfied by the service quality. This might be an indication for a link between price perception and service quality perception.

There was also a question included in the questionnaire which says:

- Why do you think is there a price difference between similar restaurants?

As mentioned earlier, some portion of the respondent group did not respond to this question. From those who responded to this question, some ideas are commonly shared. For example, many of them pointed out that location differences and rent expenses are reasons for price differences.

Besides, an ambition to get excess profit, quality of service, cost of input, cost of living, price discrimination strategy, an interest to get fame, salary of employees, level of the restaurant (five star, four star, no star...), and difference in the amount of tax the restaurants pay are repeatedly mentioned as causes for price differences among restaurants.



CHAPTER FOUR

SUMMARY OF FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

In this chapter, the findings of the study are summarized, conclusions are drawn, and recommendations are forwarded.

4.1. Summary

Restaurants from three sub-cities of Addis Ababa were selected using convenience sampling technique and included in the survey. A total of 300 questionnaires were filled by randomly selected customers of sample restaurants. These questionnaires are carefully designed in accordance with the SERVQUAL model. Customers gave their opinion regarding service quality as measured aligned with five dimensions of quality —tangibles, reliability, responsiveness, assurance, and empathy.

The questionnaire was tailored to give information about the opinion of customers regarding the abovementioned quality dimensions. That is, to know if these dimensions are acceptable by customers. Then, customers' expectations about every dimension and their perception of the service quality of restaurants as measured with these quality attributes were scored. The findings are summarized below.

- Out of 300 respondents, 276 respondents (92%) said they agree that tangibles (the physical appearance of equipment, facilities, and dressing and appearance of workers) are important quality attributes of services.
- Only 21 (7%) disagree in this dimension (tangibles); while 3 (1%) gave no opinion in this issue.
- Most of the respondents (233, which is 77.67%) said reliability is an indicator of service quality, 33 (i.e. 11%) disagree in the idea, and 34 respondents (i.e. 11.33%) proposed no opinion regarding this issue.
- A very good number of the respondents (261 respondents out of 300, which are 87%) accepted responsiveness as one of the dimensions determining the quality of service in restaurants.

Only 10 of them (3.33%) disagree in this idea. The rest 29 of the respondents (9.67%) gave no opinion.

- 218 respondents (72.67%) agree in the idea that assurance is one of the quality dimensions. Eighteen of the respondents (6%) stood against this idea, while the rest 67 of them (22.33%) chose to give no opinion.
- A very good number of the respondents (261) which constitutes 87% agree in the idea that empathy is an important dimension to evaluate service quality. Only seven of them (2.33%) disagree in this dimension. The rest 32 (i.e. 10.67%) gave no idea.
- Perceived quality of 39.44% of the respondents is lower than expected quality of services with respect to tangibles.
- Quality expectations of 23.66% of the respondents are lower than their perception with respect to tangibles.
- On reliability, 124 of respondents which constitute 40.33% of the entire respondents have negative gaps while 80 which means (26.67%) have positive gaps.
- For the responsiveness attribute, 64 respondents (21.33%) have negative gaps. A total of 236 respondents (i.e. 78.67 %)

have their expectations met or exceeded. From this group, 95 have positive gap.

- Proportion of customers having negative expectation gaps with respect to assurance is 15.33%. The rest 84.67% have no gaps or positive gaps.
- The number of respondents whose expectations with respect to empathy are exceeded is 72; while the number of those whose expectations are above their perception is 107.
- Using average gap scores, the five dimensions are ranked in the order from the highest to the lowest as: assurance (mean score = 0.36), responsiveness (mean score = 0.07), reliability (mean score = -0.1633), tangibles (mean score = -0.1767), and empathy (mean score = -0.2133).
- 43.67% of the respondents accept price to be an indicator for service quality. A slightly higher proportion of respondents (45%) stood in the opposite direction while 11.33% chose to be reserved. 43.67% is not a small amount when compared with 45%.
- The proportion of customers with positive price expectation gaps is 32.33% while the proportion of those with negative gap scores is 27.34%. The average gap score is 0.0167.



- Location difference is mentioned by many of the respondents as a reason for price differences between restaurants.

4.2 Conclusions

Taking the finding summarized above, we can conclude some points.

Such conclusions are presented below.

- Most of the respondents accepted the five quality dimensions of the SERVQUAL instrument as indicators of service quality.
- All the five dimensions are not equally important to the respondents. They give priority ranking to them. Specifically speaking, we can put these quality attributes in the order of importance they were given by respondents as: Tangibles, Responsiveness and Empathy (got equal proportion), Reliability and Assurance.
- The negative average gap scores might result from a gap between a restaurant's perception of customer expectations and customer expectations; from a gap between a restaurant's quality definition (specification) and management perception of customer expectation; from a gap between service quality specifications and actual service quality; or from a gap

between actual service delivery and external communications about services.

- Average gap scores of customer perceptions indicate the level of service quality. Therefore, restaurants have low services with respect to Empathy, Tangibles and Reliability. All these dimensions are high priority dimensions. This implies that, restaurants are not doing well in the quality of most favored dimensions.
- The dimension that has the highest quality score (Assurance) is the least prioritized dimension by customers. This indicates that the restaurants' strength is not focused on customer preferences.
- A significant proportion of customers agree in the idea that price influences the perception of customers on service quality; while a slightly more proportion stands in the opposite side. This implies that it is very difficult to make conclusion (accept or reject) on this idea.
- Customers do have a positive mean gap score with respect to their price expectation. This means, they are not dissatisfied with the price. These might be because of the restaurants' strengths to target customers based on their income; or

customers select restaurants taking price as an important attribute.

- The positive price expectation gap can also be allied to the customers' consideration of location as a reason for price difference; and a price determination by restaurants that goes in compliance with this customer view.

4.3 Recommendations

Based on the summary and conclusions presented above, the following recommendations are forwarded.

- Since the five quality attributes of the SERVQUAL dimension are accepted by customers of the restaurants, restaurants should give attention to these five points when trying to specify quality of services.
- Restaurants should give priorities to these five points according to the priorities given by customers into consideration.
- Restaurants should strive to understand what customers want with respect to dimensions with negative mean scores while keeping those with positive score up. Special attention should be given to Tangibles, Empathy, and reliability. These

attributes are given top priority by customers. However, the gap scores are negative.

- Restaurant strength should be focused on customer preference. That means, when defining quality, restaurants should base their definition on what customers want.
- When defining service quality, effort should be exerted to match the perception of management regarding what quality with that of customers'; the quality specifications set by management with the actual delivery of service; quality specifications communicated to the outsiders with the actual delivery of services. These efforts can narrow the gap between what customers expect with their perception.
- Further study is needed to check if price is an important factor affecting service quality in restaurants. Unlike the researches conducted in other countries and the theories we discussed in the second chapter, the findings of this study do not strongly support this idea. However, we have no sufficient evidence to reject it.
- Inflation is believed to possibly affect the pricing decision of consumers and businesses. This study could be more comprehensive if this variable is incorporated.



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APPENDIX

The English Version of the Questionnaire

Addis Ababa University Faculty of Business and Economics MBA Program

A questionnaire to be filled by customers of selected restaurants in A.A.

Introduction

This is a questionnaire designed to collect data to an academic project work entitled "Service Quality in Addis Ababa Restaurants Vis-à-vis price Cases from Arada, Gulelle, and Kirkos Sub-Cities" for the partial fulfillment of an MBA.

You are kindly requested to give your precious time and give your response to the questions genuinely. Please feel free; everything is strictly confidential. You are not required to disclose your names and other personal identification.

I am so grateful for your kind cooperation.



I. General Information:

How long have you been the customer of this restaurant?

Below 1 year 2-5 years 6-10 years Above 10 years

II. Please Circle one number for each question that comes closest to reflect your opinion.

		Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
1	The appearance of physical facilities, equipment, personnel etc... determines (affects) the service quality of a restaurant.	5	4	3	2	1
2	You Came to the restaurant expecting an appealing appearance of physical facilities, equipment, personnel etc...	5	4	3	2	1

3	The appearance of physical facilities, equipment, personnel etc... of the restaurant is as what you expected.	5	4	3	2	1
4	Reliability which means consistency and dependability is one of the important attributes to service quality.	5	4	3	2	1
5	You come to the restaurant expecting that it always gives the service you look for	5	4	3	2	1
6	The restaurant always gives the service that satisfies you. Or the service in the restaurant is like (consistent with) what you experienced or heard before.	5	4	3	2	1
7	The restaurant's workers strive to give an error free service.	5	4	3	2	1
8	Workers of an excellent restaurant show willingness or readiness to provide services.	5	4	3	2	1
9	You come to the restaurant expecting an appealing reception and services of waiters	5	4	3	2	1
10	Waiters in the restaurant show pleasant and attractive reception and response to your need.	5	4	3	2	1
11	Workers of an excellent restaurant do have knowledge and competence to convey trust and confidence in the mind of the customer.	5	4	3	2	1
12	Your expectation of the knowledge and ability of workers of the restaurant to convey trust and confidence is one of your reasons to come to the restaurant	5	4	3	2	1
13	The knowledge and competence of workers to provide the service perfectly and free of risks helps to get the service freely (you feel secured when you take the service).	5	4	3	2	1
14	The service providers' efforts to understand your needs and provide them as best as possible can be taken as one criteria for service quality.	5	4	3	2	1
15	You come to the restaurant with an expectation that the attendants understand your individual needs and provide you with what you need.	5	4	3	2	1
16	The service providers' efforts and ability to understand your needs and provide you with what you want is excellent.	5	4	3	2	1
17	Workers of the restaurant are capable of understanding your individual desires and provide you with them.	5	4	3	2	1
18	Price is an indicator for service quality. (High price implies high service quality, and low price indicates low quality).	5	4	3	2	1
19	You come to the restaurant with an expectation of fair price	5	4	3	2	1
20	The quality of service is equivalent to what you paid for	5	4	3	2	1

21	When compared with other similar restaurants the price you pay for the service here is Low	5	4	3	2	1
22	When compared with other similar restaurants the price you pay for the service here is High	5	4	3	2	1
23	In general, the restaurant gives quality service.	5	4	3	2	1

a. What other factors can determine the quality of service in a restaurant?

b. Why do you think is there a price difference between similar restaurants?



The Amharic Version of the Questionnaire

አዲስ አበባ ዩኒቨርሲቲ
ቢዝነስ እና ኢኮኖሚክስ ፋኩሊቲ
MBA ፕሮግራም

በተመረጡ የአዲስ አበባ ሬስቶራንቶች ደንበኞች የሚሞላ መጠይቅ

መግቢያ

ይህ መጠይቅ ለትምህርት አገልግሎት የሚወል እና ለ ኤም.ቢ ኤ ዲግሪ ማሟያ የሚሆን “Service Quality in Addis Ababa Restaurants Vis-à-vis price Cases from Arada, Gulelle, and Kirkos Sub-Cities” የተሰኘ ጥናት ለማካሄድ የተዘጋጀ መጠይቅ ነው።

ወደ ጊዜዎትን ወስደው ከዚህ በታች ለቀረቡት ጥያቄዎች እውነተኛውን መልስ እንዲሰጡ በአክብሮት ይጠየቃሉ። ስጋት አይግባዎት፣ ሁሉም ነገር ምስጢራዊ ነው። ስምዎትን እና ሌሎች የግል መለያዎችን እንዲገልፁ አይጠየቁም።

ስለትብብርዎ በጣም አመሰግናለሁ።

III. አጠቃላይ መረጃ:

በዚህ ሬስቶራን ደንበኝነትዎ ለምን ያክል ጊዜ ነው?

ከ 1 ዓመት በታች 2-5 ዓመታት 6-10 ዓመታት ከ 10 ዓመታት በላይ

IV. እባክዎን ከዚህ ቀጥሎ ለቀረቡት ጥያቄዎች መልስዎ በጣም እስማማለሁ

ከሆነ 5ን፣ እስማማለሁ ከሆነ 4ን፣ ሀሳብ አልሰጥም ከሆነ 3ን፣ አልስማማም ከሆነ 2ን፣ በጣም አልስማማም ከሆነ 1ን በማክበብ መልስ ይስጡ።

		በጣም እስማማለሁ	እስማማለሁ	ሀሳብ አልሰጥም	አልስማማም	በጣም አልስማማም
1	የመገልገያዎች፣ የመሳሪያዎች፣ የሰራተኞች (አለባበስ)፣ ወዘተ... ገጽታ (እይታ) የሬስቶራንት የአገልግሎት ጥራት መገለጫዎች መካከል ሊጠቀሱ ይችላሉ።	5	4	3	2	1
2	ወደሬስቶራንቱ የሚመጡት ውብ የመገልገያዎች፣ የመሳሪያዎች፣ የሰራተኞች (አለባበስ)፣ ወዘተ... ገጽታ (እይታ) እንደሚኖር በመጠበቅ ነው።	5	4	3	2	1

3	በሬስቶራንቱ የመገልገያዎች፣ የመሳሪያዎች፣ የሰራተኞች (አለባበስ)፣ ወዘተ... ገጽታ (እይታ) ማራኪ ነው።	5	4	3	2	1
4	ጥሩ ሬስቶራንት፣ አስተማማኝ ማለትም ከቀን ወደ ቀን የማይለዋወጥ (Consistent) የአገልግሎት አሰጣጥ ይኖረዋል።	5	4	3	2	1
5	ወደ ሬስቶራንቱ የመጡት ምንገዜም የሚፈልጉትን አገልግሎት የሚሰጥ ሬስቶራንት እንደሆነ በመተማመን (በመጠበቅ) ነው።	5	4	3	2	1
6	የሬስቶራንቱ አገልግሎት እንደ ከዚህ በፊት ወይም ከዚህ በፊት እንደ ሰሙት ነው።	5	4	3	2	1
7	የሬስቶራንቱ ሰራተኞች ከስህተት ነጻ የሆነ አገልግሎት ለመስጠት ጥረት ያደርጋሉ።	5	4	3	2	1
8	የጥሩ ሬስቶራንት አስተናጋጆች (የሰራተኞች) አገልግሎት ለመስጠት የሚያሳዩት ፈቃደኝነት ወይም ዝግጁነት ከአገልግሎት ጥራት መገለጫዎች አንዱ ነው።	5	4	3	2	1
9	ወደሬስቶራንቱ የሚመጡት የአስተናጋጆቹን ማራኪ አቀባበል እና አገልግሎት በመተማመን ነው።	5	4	3	2	1
10	የሬስቶራንቱ አስተናጋጆች አስደሳች (ማራኪ) አቀባበል እና አገልግሎት ያሳያሉ።	5	4	3	2	1
11	የጥሩ ሬስቶራንት ሰራተኞች ደንበኛው አገልግሎቱን ያለ ስጋት እንዲጠቀም የማድረግ ብቃት እና ዕውቀት አላቸው።	5	4	3	2	1
12	ወደ ሬስቶራንቱ የሚመጡት ሰራተኞቹ አስተማማኝ አገልግሎት ያለምንም ስጋት እና ጥርጣሬ እንዲጠቀሙ እንደሚያስችሉት በማሰብ ነው።	5	4	3	2	1
13	የሰራተኞቹ አስተማማኝ (ከስጋት የጸዳ) አገልግሎት የመስጠት ብቃት እና እውቀት፣ አገልግሎቱን በነፃነት ለመጠቀም ያስችላል።	5	4	3	2	1
14	አገልግሎት ሰጪው የደንበኛውን ፍላጎት በመረዳት፣ ያን ፍላጎት በጥሩ ሁኔታ ለማሟላት የሚያደርገው ጥረት የአገልግሎት ጥራት ከሚገለጽባቸው ነገሮች አንዱ ነው።	5	4	3	2	1
15	ወደ ሬስቶራንቱ የመጡት አስተናጋጆቹ ፍላጎት-ዎትን በመረዳት ፍላጎት-ዎትን የሚያሟላ አገልግሎት እንደሚሰጡ-ዎት በመጠበቅ ነው።	5	4	3	2	1
16	የሬስቶራንቱ አስተናጋጆች የእርስዎን ፍላጎት የመረዳት ችሎታቸውና በዚህም መሰረት የሚፈልጉትን አገልግሎት ለመስጠት የሚያደረጉት ጥረት አመርቁ ነው።	5	4	3	2	1
17	የሬስቶራንቱ ሰራተኞች የእርስዎን የግል ፍላጎት በመረዳት የማስተናገድ ብቃት አላቸው።	5	4	3	2	1
18	የአገልግሎት ዋጋ የአገልግሎትን ጥራት ያመለክታል። (ከፍተኛ ዋጋ ከፍተኛ የአገልግሎት ጥራትን ሲያመለክት፣ ዝቅተኛ ዋጋ ደግሞ ዝቅተኛ ጥራትን ያመለክታል።)	5	4	3	2	1
19	ወደ ሬስቶራንቱ የመጡት የሬስቶራንቱ የአገልግሎት ዋጋ ተመጣጣኝ እንደሚሆን በመጠበቅ ነው።	5	4	3	2	1



20	የሬስቶራንቱ የአገልግሎት ዋጋ ከአገልግሎቱ ጋር ተመጣጣኝ ነው።	5	4	3	2	1
21	ለአገልግሎቱ የክፍሉት ክፍያ ከሌሎች ተመሳሳይ ሬስቶራንቶች ጋር ሲነጻጸር ከፍተኛ ነው።	5	4	3	2	1
22	ለአገልግሎቱ የክፍሉት ክፍያ ከሌሎች ተመሳሳይ ሬስቶራንቶች ጋር ሲነጻጸር ዝቅተኛ ነው።	5	4	3	2	1
23	በአጠቃላይ፣ የሬስቶራንቱ አገልግሎት ጥራቱን የጠበቀ ነው።	5	4	3	2	1

ሀ. የአገልግሎት ጥራትን ሊወስኑ ሌሎች ነገሮች ምን ምን ናቸው?

ለ. በሬስቶራንቶች መካከል የዋጋ ልዩነት የሚኖረው ለምንድን ነው?



Krishna G. Murthy (Professor)

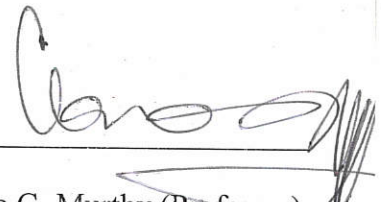
Department of Management

Addis Ababa University



Certificate

This is to certify that Mr. Getahun Mekonnen has completed his project work entitled 'Service Quality in Addis Ababa Restaurants vis-à-vis price; cases from Arada, Gulellé, and Kirkos Sub-cities' successfully in partial fulfillment of the requirements of the award of Degree of Masters of Business Administration. In my view, the work is original effort of the candidate and all material used to the project work has been duly acknowledged.


Krishna G. Murthy (Professor)

Declaration sheet

I assure that the project paper entitled 'Service Quality in Addis Ababa Restaurants Vis-à-vis price; cases from Arada, Gulelle, and Kirkos sub-cities' is my original work, has not been presented by any body for a degree in any other university and that all sources of materials used for the project have been duly acknowledged.

Getahun Mekonnen



June 20, 2008 Addis Ababa

Name of the Candidate

Signature

Date and Place

