



UHASSELT

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Faculty of Business Economics

Master of Management

Masterthesis

Determinants of customer satisfaction in a restaurant setting.

Tereza Pomahacová

Thesis presented in fulfillment of the requirements for the degree of Master of Management, specialization
International Marketing Strategy

SUPERVISOR :

prof. dr. Sara LEROI-WERELDS



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Preface

This Master's thesis is the final step in obtaining a Master's degree in the specialisation of International Marketing Strategy. It entailed several months of systematic work. This thesis examines the determinants of customer satisfaction in a specific Czech restaurant. The topic was not selected randomly. At the university, I studied how to be really customer focused, and in February 2017 my dad opened his new restaurant. Inspired by these two facts, I selected my topic. This Master's thesis could be the first step in adopting a customer-focused approach in my father's new restaurant.

I would like to thank my Supervisor, Prof. Dr. Sara Leroi-Werelds for being the perfect guide on this interesting journey. Secondly, I would like to thank my family and my boyfriend for their huge support during the entire process and also for giving me the opportunity to study abroad.

Tereza Pomahačová

Hasselt, 15 August 2017

Summary

The goal of every successful business should be to satisfy customers, and restaurants are no exception. However, to satisfy customers in the restaurant setting, it is necessary to know the determinants of their satisfaction. Prior research has examined these determinants, the results are sometimes conflicting or indicate that there are also other factors, yet to be discovered. Therefore, the aim of this Master's thesis is to examine the determinants of customer satisfaction in the restaurant setting. To achieve this goal, qualitative research was employed in a specific full-service Czech restaurant – Pivovar Kytín. Specifically, interviews were conducted with 20 customers of Pivovar Kytín restaurant, in order to reveal the potential determinants of satisfaction.

This thesis provides insights into the Czech restaurant setting and especially into the Czech restaurant customer. The qualitative data were analysed with the use of the Gioia Methodology. The interviews with diverse customers of Pivovar Kytín disclose eight determinants of satisfaction: beverages, food, service quality, physical design, atmosphere, location, price and restrictions. These results are partly in line with prior research in this context, but determinants such as beverages, location and restrictions were not mentioned in prior studies.

The thesis is composed of 6 chapters, each one dealing with different aspects of this topic. Chapter 1 introduces the topic by describing the problem statement and providing a research question. Chapter 2 examines the literature relevant to this topic, such as customer satisfaction, customer loyalty, word-of-mouth, with the final section dealing with the potential determinants of customer satisfaction in a restaurant setting. Chapter 3 describes the research methodology, provides information on the research setting and participants. Chapter 4 discusses the results with a detailed analysis of each factor. Conclusions are drawn in Chapter 5. Managerial implications are defined in Chapter 6. The final Chapter 7 focuses on the limitations of this Master's thesis and on future research.

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1 Problem Statement

The business environment has changed. Companies need to adjust their mainly profit-oriented strategies towards a more customer-oriented approach (Zairi, 2000). In the beginning of the twentieth century, organisations were mainly focused on goods in order to deliver “price-led affordable value”, without any attention to customer satisfaction (Walters, 2014). However, without a focus on the customer, even a very good product can be useless (Levitt, 1960). The customer is the essence of every business and it is thus necessary to make the customer an integral part of your business strategy (Khan et al., 2013). Every company should start with understanding the customers’ needs. This approach results in customer satisfaction (Levitt, 1960).

Customer satisfaction represents the key to success in the current competitive business environment (Kohli & Jaworski, 1990). Customer satisfaction is essential in all industries (Szymanski & Hearnard, 2001) and is defined as a customer’s subjective evaluation of the product or service. The customer assesses to what extent the product or service fulfils his/her expectations (Khan et al., 2013; Oliver, 1981; Woodruff, 1997; Zamazalová, 2008). Customer satisfaction is also of vital importance, because satisfied customers spread positive word-of-mouth about a company (Zamazalová, 2008). Moreover, Khan (2013) states that even the best company in the world can not satisfy all the customers and those dissatisfied customers will spread negative word-of-mouth. This fact can prove fatal to every organisation. Previous research also indicates that customer satisfaction affects customer loyalty (Anderson & Mittal, 2000). According to Fornell (1992), satisfied customers are likely to be loyal customers. In addition, he states that customer satisfaction ultimately influences revenue streams, which means that it is reflected in the financial performance of the company.

This thesis focuses on the examination of customer satisfaction in the restaurant sector, which is one of the most important industries in terms of profitability. The mission of restaurants is to satisfy the needs of customers by providing different types of products and services (Sabir et al., 2014). It is crucial for a restaurant to identify customer requirements, or the restaurant will be unable to meet

the needs of its customers (Kim et al., 2009). According to Ivkov et al. (2014), the key to success is to recognise customer expectations, as meeting customer expectations leads to customer satisfaction. Prior research recognises many determinants of customer satisfaction in the restaurant industry. Sabir et al. (2014) distinguish four determinants of customer satisfaction: service quality, physical design, product quality and price. According to Saad Andaleeb & Conway (2006), a crucial determinant of customer satisfaction is service quality. Liu & Jang (2009) found that food authenticity, service quality, food quality, atmosphere, price fairness and environmental authenticity are the crucial determinants of customer satisfaction in restaurants. Ivkov et al. (2014) state that the use of technological innovations is essential to increase customer satisfaction, as it expedites the processes in a restaurant and assists restaurant staff to improve the quality of service.

Dubé et al. (1994) believe that the key to success in the restaurant business is to define a business strategy with respect to the determinants of customer satisfaction. By implementing a strategy focused on customer satisfaction, restaurants can gain a long-term competitive advantage (Saad Andaleeb & Conway, 2006). Moreover, Dubé et al. (1994) state that a frequent cause of failure in the restaurant industry is not to apply this approach.

To summarise, recognising the determinants of customer satisfaction is essential for the running of a successful restaurant. For this reason, I will conduct a study in Pivovar Kytín – a restaurant located in my home country, the Czech Republic. I chose this particular restaurant as it is owned by my family and the research results could be helpful in improving our restaurant enterprise.

Hence, the research question of this thesis is: What are the determinants of customer satisfaction in Pivovar Kytín?

2 Literature Review

This section provides a short overview of existing literature related to the topic of this thesis. First, customer satisfaction is explained. Next, two important outcomes of satisfaction: loyalty and word-of-mouth are discussed. Subsequently, the potential determinants of satisfaction in a restaurant setting are explained.

2.1 Customer Satisfaction

One of the main objectives of every successful company should be to satisfy its customers. However, in order to achieve this goal, a customer-focused organisation is required (Zamazalová, 2008). Woodruff (1997) believes that the source of competitive advantage is the customer-oriented approach. This is in line with Walters (2014), who also claims that companies consider being customer oriented as a crucial element of gaining a competitive advantage. Achieving and maintaining a high level of customer satisfaction is the aim of a customer-focused organisation.

The role of customer satisfaction is important in the market (Khan et al., 2013). It is a crucial element of every successful company, whether offering products or services (Sabir et al., 2014). Moreover, according to Kumar et al. (2013), having a strong base of satisfied customers should be every company's objective. In the same notion, Gupta et al. (2007) believe that satisfied customers are pivotal for every company. Moreover, according to Khan et al. (2013), satisfying customers should be the goal of every organisation, no matter whether a profit or non-profit organisation.

Satisfaction has been described in many different ways. For example, Oliver (1981) states that satisfaction represents a feeling of a customer. According to Khan et al. (2013), the term 'customer satisfaction' can be understood as a feeling of contentment with received product or service. Zamazalová (2008) defines satisfaction as the desired goal which every customer wishes to achieve. Moreover, she states that customer satisfaction is created by comparing a desired product with a received product. If the product or service meets the expectations of customers, they will be

satisfied with the product or service. On the other hand, if the product or service does not fulfil customer expectations, they will be dissatisfied (Khan et al., 2013). Customers do not evaluate the product or service based only on its reliability, but also based on the experience of the delivery process (Jamal & Naser, 2002).

Satisfied customers represent a great advantage for every company. The current level of customer satisfaction is a consequence of previous management decisions and an indicator of the company's future (Fornell, 1992). This is in line with the findings of Gruca & Rego (2005) that customer satisfaction influences an organisation's future cash-flow. This means that it has a direct impact on the future stability of the organisation. Fornell (1992) believes that the level of customer satisfaction influences the future revenue streams of a company. Moreover, he states that changes in customer satisfaction cause shifts in customer retention rate. According to Trif (2013), a high level of customer satisfaction helps to build a high level of customer trust, which results in a high level of customer loyalty. Satisfied customers are likely to be or to become loyal customers (Akhtar et al., 2016; Fornell, 1992; Oliver, 1999; Sabir et al., 2013). Customer satisfaction also encourages the building of long-term relationships between customers and a company (Khan & Fasih, 2014). Fornell (1992) assumes that a high level of word-of-mouth is generated because of a high level of customer satisfaction. On the other hand, a low level of customer satisfaction in combination with low switching costs may result in market price competition. According to Khan et al. (2013), the level of customer satisfaction provides significant feedback for every company. If customers are satisfied, it is difficult and expensive for competitors to take over a company's customers (Fornell, 1992). Fornell (1992) identifies a high level of customer satisfaction as a sign related to the health of an organisation. It is important not only to retain its customer base, but every organisation also needs to increase its customer base.

2.2 Customer Loyalty

Some companies only pay attention to whether their customers are satisfied. Fornell (1992) states that satisfied customers are likely loyal customers. This is in line with Keisidou et al. (2013), who state that customer satisfaction positively influences customer loyalty. Therefore, building and maintaining customer loyalty should also be essential for every company (Harris & Goode, 2004). For a company to become more loyalty-focused, a shift in company strategy is usually required. One of the main objectives should be to have a loyal customer base, because this is beneficial to the company (Oliver, 1999). According to Harris & Goode (2004), loyal customers purchase more, do not hesitate to spend more money and it is usually not difficult to reach them. Lichtlé & Plichon (2008) claim that the process of acquiring new customers is very costly for companies, therefore they rather concentrate their resources on building a strong customer loyalty base.

In general, customer loyalty is something which is embedded in customers and may be displayed towards a product, service, store or activities (Uncles et al., 2003). Oliver (1997) defines customer loyalty as a commitment to the future to repurchase or to support a favourite product/service, despite this process being influenced by competitors, who try to persuade the customer to switch to their product/service. Jones & Sasser (1995) describe loyalty as an attachment of an individual to a product, service or company employees. Customer loyalty may be manifested in different items, such as shop, sales assistant, brand, company, among many other factors (Bon and Tissier-Desbordes, 2000; Lichtlé & Plichon, 2008). Rebuying the product or demonstrating a preference for an organisation are examples of the ways in which a customer expresses company loyalty (Zeithaml et al., 1996). Moreover, the authors believe that loyal customers have certain behavioural characteristics: speaking in a positive way about the company, inspiring others to choose a particular company, recommending the company to friends and choosing the company above others.

Oliver (1999) distinguishes the following four phases of loyalty:

1. Cognitive loyalty, where a customer favours one brand over another. The selection for the particular brand is based on previous experience or vicarious information.
2. Affective loyalty is the second stage. In this phase, a customer already has gained a lot of experience with the brand and is loyal to it, because of satisfaction with the brand.
3. Conative loyalty is the third phase characterised by the author. This stage represents a deep commitment to repurchase a brand. However, if problems occur, the customer considers changing to a competitor.
4. Action loyalty is the last phase. In this phase, a customer is deeply attached to the brand and is prepared to overcome potential obstacles of the brand to avoid changing to a competitor.

Ganesh et al. (2000) suggest different ways of measuring customer loyalty. To recognise loyal customers, companies should focus on the probability of positive recommendations of the company by customers to others, repurchasing intentions, repeated patronage and sensitivity to price fluctuations. For a company to gain deeply loyal customers, an outstanding product is required, as well as customers who are willing to become attached and who wish to maintain the company's good reputation. If these conditions are not met, the result cannot be a state of meaningful loyalty (Oliver, 1999).

2.3 Word-of-mouth

The word-of-mouth (WOM) phenomenon attracts the attention of many companies (Sweeney et al., 2012). WOM is an important outcome of both satisfaction and dissatisfaction (Anderson, 1998). Wee et al. (1995) state that for WOM social interaction is essential. The authors further define that the problem of WOM is the minimal control by a company over the whole process. Shi et al. (2016) characterise WOM as an exchange of information between consumers regarding a product, service or the supplier itself. Anderson (1998) adds that the purpose of this communication between parties is to share evaluation of the experience of the product, service or supplier. Wee et al. (1995) distinguish two parties involved in the information exchange – the receiver and the

influencer. The authors define the receiver as a person who obtains the information, while the influencer is the one transmitting the idea to the receiver. WOM forms the attitude and influences the behaviour of the receiver (Brown & Reingen, 1987). Buttle (1998) claims that WOM is more powerful in terms of shaping receiver behaviour than other marketer-controlled sources. WOM plays a crucial role in choosing a product/service by customers (East et al., 2007). Kozinets et al. (2010) summarise WOM as an inter-consumer influencing process, which involves communication about the product or service. To consider communication as WOM, the communicator must not be related to the organisation (Wee et al., 1995).

WOM may be positive or negative (Buttle, 1998). Positive WOM is related to customers' willingness to recommend to others (Anderson, 1998). Consumers spread positive information in a way that is desirable to the organisation (Buttle, 1998). A consequence of positive WOM may be higher expectations of other consumers (Shi et al., 2016). On the other hand, negative WOM is associated e.g. with a product rejection, complaints and/or with sharing negative information or rumours (Anderson, 1998). Shi et al. (2016) state that negative WOM lowers expectations of receiver. Anderson (1998) believes that very dissatisfied consumers more often spread negative WOM, compared to very satisfied ones. The author also adds that negative WOM is more powerful than positive WOM, in the sense that one negative WOM communication can cause greater damage compared to the ability of one positive WOM communication to benefit a company.

Shi et al. (2016) summarise the factors which influence the willingness to spread WOM – customer satisfaction and loyalty, trust, perceived value, commitment and quality. The authors find that WOM can affect receiver satisfaction, not directly, but through expectations. They state that positive WOM may raise expectations and, in the event that the expectations are not met, the customer may be dissatisfied.

The development of the online environment allows the emergence of online WOM. According to Huang et al. (2011), the online setting provides a space for online discussion. This may facilitate consumers' social interaction, as well as provide the opportunity for marketers to have more control

over online WOM. For example, marketers can check the online WOM related to their organisation (online reviews), or can interact with influencers to shape receiver behaviour. Kozinets et al. (2010) agree that the online environment represents an effective tool for controlling and influencing WOM. Marketers may also benefit from online reviewing platforms and can create electronic commerce, based on positive online WOM (Shi et al., 2016). From the influencers' point of view, the content of online shared WOM should be of high quality, accurate, authentic and intelligent, or it will not attract the attention of receivers (Huang et al., 2011).

2.4 Potential Antecedents of Satisfaction in a Restaurant Setting

As discussed above, customer satisfaction is essential to every business, and the restaurant industry is no exception. Globally, the restaurant industry represents one of the most profitable industries (Sabir et al., 2014). Liu & Jang (2009) claim that the lifestyle of customers has changed in the sense that they dine out more often. This shift in customer behaviour results in them being more demanding and wishing to try out different flavours in combination with a pleasant overall experience. Moreover, customers no longer wish to choose between authentic dishes or great service, but seek ultimate enjoyment and an excellent dining experience. Due to globalisation, the differences between dining habits and eating culture are no longer so significant in some areas. This facilitates the spread of restaurant chains and international restaurants worldwide (Sabir et al., 2014). Customers often patronise various types of restaurants, as, for example, different social occasions require a different restaurant atmosphere (Chow et al., 2007). Therefore, the restaurant industry may be characterised as a highly competitive industry (Ladhari et al., 2008) and as an industry with low switching costs (Chow et al., 2007). For restaurants wishing to become successful in this industry, it is necessary to gain a high level of customer satisfaction, as this assists them to retain their position (Pedraja Iglesias & Yagüe Guillén, 2004).

Customer satisfaction with a restaurant drives loyalty, which leads to business growth, which in turn translates to the increased profitability of the restaurant (Chow et al., 2007). For this reason, it is essential for restaurants to maintain a relationship with customers, build customer loyalty and

stimulate customers to spread positive word-of-mouth (Chow et al., 2007). Satisfied customers will revisit a restaurant, be more loyal and willing to spread positive word-of-mouth about the restaurant (Pedraja Iglesias & Yagüe Guillén, 2004). Hence, it is crucial to identify the determinants of customer satisfaction in the restaurant setting (Chow et al., 2007; Ladhari, 2008; Pedraja Iglesias & Yagüe Guillén, 2004; Ramanathan et al., 2016).

A cause of restaurant failure is often identified as the inattention of management to customer satisfaction (Ramanathan et al., 2016). Moreover, if restaurant management is not focused on generating customer satisfaction, customers could switch to a competing restaurant (Pedraja Iglesias & Yagüe Guillén, 2004).

Many researchers have already examined the determinants of customer satisfaction in restaurants, with differing results, as can be seen in Table 1. In what follows, I describe nine different studies related to the determinants of customer satisfaction in a restaurant setting.

1. Saad Andaleeb & Conway (2006) conducted their research in full-service restaurants in the United States. They examined four determinants of customer satisfaction: service quality, price, food quality and physical design. These authors found that service quality has the biggest impact on customer satisfaction, followed by price and food quality. The authors describe service quality as all the interactions between employees and customers. This includes the appearance of employees, their knowledge and ability to recognise customer needs, helpfulness and courtesy. According to the authors, price positively influences customer satisfaction, if the stated price meets the expectations of customers. It is necessary for restaurants to set prices with respect to their target segment and competitors. The researchers consider that the reason for food quality to be surprisingly ranked third in importance is that, in the restaurants they analysed, chefs prepare high quality dishes. Moreover, they claim that customers of these restaurants do not consider food quality so important, because they are used to high quality meals, so they are not so concerned about this determinant. It is interesting to note that their findings show that the physical design of

the restaurant has no significant impact on customer satisfaction. The researchers assessed physical design by enquiring about lighting, parking, décor and neatness. They believe that the investigated restaurants are characterised by pleasant design, because of that participants do not consider physical design as an important determinant.

2. Ryu et al. (2008) tested two potential determinants of customer satisfaction – restaurant image and perceived value — in fast-food restaurants in the United States. They examined restaurant image in terms of food quality, menu variety, cleanliness, price, interior design, staff appearance, store location and waiting time for meals. Perceived value in their research was expressed by overall value, good value for price and the dining experience compared to money spent. Their results demonstrate a significant impact of both determinants on customer satisfaction. Moreover, the results also indicate that perceived value influences customer satisfaction more than restaurant image.

3. Liu & Jang (2009) investigated Chinese full-service restaurants in the United States. They tested six potential determinants of customer satisfaction: food quality, service quality, atmosphere, price fairness, environmental authenticity and food authenticity. Their results clearly show the significant role of all these determinants on customer satisfaction. The most important determinant of customer satisfaction is food authenticity, followed by service quality. Furthermore, based on their results, the authors consider both these determinants as very important. The authors of this research define food authenticity as the extent to which the served dish reflects the culture and genuine original taste. Service-related attributes were examined in terms of friendliness, attentiveness and helpfulness of employees, their knowledge of the menu, efficiency of service and whether the served dishes match the order. Results further distinguish other minor determinants of customer satisfaction: food quality, atmosphere, price fairness and environmental authenticity. Food quality was examined in terms of taste, diversity of menu, food safety, food temperature and food presentation. In their research, the authors define atmosphere as composed of the following attributes: interior design, music, lightning, indoor temperature, odour,

cleanliness and employee appearance. Price fairness was explained by these authors as the extent to which the stated price is considered as being fair in the perception of customers.

4. Nam & Lee (2011) conducted their research in South Korea. Their focal point was Korean restaurants serving traditional Korean food. Participants in their research were only foreign travellers. They proposed three potential determinants of customer satisfaction: service quality, expectation and value for money. Service quality was divided into three subcategories: intangible dimensions of service quality, tangible dimensions of service quality and food dimensions of service quality. Their results show that all three determinants are related to foreign travellers' satisfaction with traditional Korean restaurants. Value for money represents the most important determinant, according to their research, followed by expectation, intangible dimensions, food and tangible dimensions of service quality. Value for money is characterised as a trade-off between the expense and the benefits from the customer's point of view. Value for money in this research was examined in terms of 'extremely good value for money'/'extremely bad value for money'. According to the authors, expectation is described as how customers assume the product/service should be. In their research, they asked whether the overall experience was worse or better than their expectations. As mentioned above, service quality was divided into three dimensions – intangible, food and tangible dimensions. According to the research workers, intangible dimensions are represented by helpfulness, attentiveness, confidence and courtesy of the staff, ability to understand specific customer needs and accuracy of the order. Food dimension was investigated in terms of meal appearance and taste. According to the authors, tangible dimensions are demonstrated by overall restaurant design, equipment and décor. In conclusion, they state that foreign travellers make up a very specific customer segment, because they usually have no experience of traditional Korean restaurants. Therefore, employees of Korean restaurants should treat them differently. Employees should be trained and prepared in a special way in order to satisfy the needs of these specific customers.

5. Khan et al. (2013) focused on fast-food restaurants (KFC, Chief Burger, Arabian Chick, Pizza Hut) in Peshawar, Pakistan. They suggested seven determinants of customer satisfaction: promotion, service quality, customer expectation, brand, physical environment, price and taste. Their findings reveal that all these determinants are related to customer satisfaction. The researchers claim that the crucial elements are service quality and brand, followed by price and physical environment. On the other hand, they recognise that taste, customer expectation and promotion have a minimal impact on customer satisfaction. Unfortunately, these authors do not mention which attributes they assigned to each determinant.

6. Marinkovic et al. (2014) investigated full-service restaurants in Kragujevac, Serbia. They suggested three potential determinants of customer satisfaction: atmosphere, quality of interactions and price. Based on their research results, atmosphere and quality of interaction are classified by the research workers as the determinants of customer satisfaction. However, this is not the case for price. Moreover, they claim that the quality of interaction is the key trigger of customer satisfaction, followed by atmosphere. The quality of interaction factor was examined in terms of staff responsiveness, professionalism and empathy towards customers. On the other hand, in examining atmosphere, researchers employed dimensions such as ambiance, cleanliness, décor and overall design of the restaurant. According to these research workers, price has no significant impact on customer satisfaction, but it influences the intention of customers to revisit the restaurant.

7. Sabir et al. (2014) conducted their research on full-service restaurants in Okara, a city in Pakistan. These authors proposed four determinants of customer satisfaction: service quality, product quality, price and physical design. Their results signify that all determinants are antecedents of customer satisfaction. According to them, service quality has the greatest impact on customer satisfaction in a restaurant setting. Based on this fact, accurate employee training, focused on responsiveness and helpfulness, as well as constant improvement of the knowledge of staff and their attitude towards customers, are recognised

by them as crucial attributes of a restaurant. The second most important determinant of customer satisfaction is the physical design, followed by price. In order to set an affordable price, which at the same time enhances customer satisfaction, it is crucial that the level of perceived customer expectations and real price will be as similar as possible. Results of their research show that product quality is a weak determinant of customer satisfaction. The authors note that this could be due to the fact that almost similar product quality is found across all restaurants, so customers no longer consider product quality as a point of differentiation among restaurants.

8. Ramanathan et al. (2016) examined Chinese buffet restaurants in the United Kingdom. They defined four potential determinants of customer satisfaction: food quality, service quality, environment and price. They found that all four are determinants of customer satisfaction. The authors ranked them in order of their importance to customers: food quality, price, environment and, lastly, service quality. According to their research, food quality is detected as the most important determinant of customer satisfaction. Furthermore, these authors believe that restaurants should provide tasty high-quality meals with regard to the healthy requirements of customers, in order to satisfy them. They also focused in their research on differences given by the moderators, such as gender, age and income. For example, they detected that males are more concerned about service quality and environment than females, and that price is a greater determinant of satisfaction for older people and persons with lower incomes. Furthermore, they state that food quality is more important to younger people than older customers.
9. Rashid et al. (2016) conducted their research in fast-food restaurants in Malaysia. They investigated two determinants — service quality and food quality — and their impact on customer satisfaction among generation Y. They observed food quality based on freshness and temperature of the served meal, menu variety, taste of the served meal and excellence of service. Their results prove that meal taste is the most important dimension of food quality. Service quality was observed, based on completeness of order, patience of

employees, availability of sauces, napkins and other accessories, and whether customers were promptly served by employees. Among the dimensions of service quality, the completeness of order is the most important, according to these research results. Moreover, results show that both determinants are related to customer satisfaction, but food quality is more important to the group representing generation Y in Malaysia.

Table 1: Overview of Prior Literature

Researchers	Research setting	Results		
		Determinants of satisfaction	Beta	Significance
Saad Andaleeb & Conway (2006)	Full-service restaurants in the United States	Service quality	0.523	0.000
		Price	-0.246	0.000
		Food quality	0.203	0.011
		Physical design	0.005	0.938
Ryu et al. (2008)	Fast-food restaurants in the United States	Perceived value	0.64	<0.010
		Restaurant image	0.20	<0.010
Liu & Jang (2009)	Chinese full-service restaurants in the United states	Food authenticity	0.39	0.000
		Service quality	0.33	0.025
		Food quality	0.168	0.020
		Atmosphere	0.168	0.010
		Price fairness	0.157	0.017
		Environmental authenticity	0.137	0.039
Nam & Lee (2011)	Traditional restaurants in South Korea	Value for money	0.220	0.000
		Expectation	0.210	0.000
		Service quality		
		- Intangible dimension	0.170	0.030
		- Food dimension	0.160	0.020
		- Tangible dimension	0.130	0.040

Khan et al. (2013)	Fast-food restaurants in Pakistan	Service quality	0.296	0.007
		Brand	0.296	0.007
		Physical environment	0.272	0.028
		Price	0.243	0.014
		Promotion	0.199	0.063
		Customer expectation	0.147	0.010
		Taste	0.109	0.024
Marinkovic et al. (2014)	Full-service restaurants in Serbia	Quality of interactions	0.512	0.001
		Atmosphere	0.296	0.001
		Price	0.059	Not supported
Sabir et al. (2014)	Full-service restaurants in Pakistan	Price	-0.35	0.000
		Service quality	0.21	0.044
		Physical design	0.187	0.043
		Food quality	0.064	0.507
Ramanathan et al. (2016)	Chinese buffet restaurants in the United Kingdom	Food quality	0.3	0.000
		Price	0.248	0.001
		Environment	-0.204	0.003
		Service quality	0.15	0.043
Rashid et al. (2016)	Fast-food restaurants in Malaysia	Food quality	0.728	0.000
		Service quality	0.675	0.000

3 Research Design

In this chapter, the empirical study of this Master's thesis is discussed. First, the research method is explained. Next, the research setting and sample are described.

3.1 Research Methodology

When Sabir et al. (2014) examined the relationship between service quality, product quality, physical design, price, and customer satisfaction in the restaurant industry, they achieved an adjusted R square of just 0.25, which indicates that determinants of customer satisfaction are missing in their study. Therefore, in line with their own suggestion for future more in-depth research, and due to the generally inadequate prior knowledge of the determinants of customer satisfaction in the restaurant setting, an exploratory qualitative research was employed. This is very suitable approach, because qualitative research provides better understanding and insights (Malhotra et al., 2012). The main technique used in this research are qualitative interviews, which were chosen over focus groups for various reasons. First, they are easier to arrange. Second, the social pressure is significantly lower, compared to focus groups. This means that interviewees are able to share more sensitive information. Finally, there is the opportunity to investigate some specific topics in greater depth (Malhotra et al., 2012).

Regarding the sample size, 20 customers were interviewed. These interviews allowed to gather a solid quantity of data, ensure the variety of the sample, as well as keep the entire process manageable, with regard to the amount of data collected. In order to select the interviewees, a judgemental sampling, which is a form of convenience sampling, was employed, due to being inexpensive, convenient and quick (Malhotra et al., 2012). Interviewees of different age and gender were selected to ensure as wide a variety of answers as possible. All the interviews were conducted in the environment of the Pivovar Kytín focal restaurant. This assisted interviewees to share their opinions and immediate thoughts on their experience. Each interview lasted about 12 minutes. Open-ended questions were used in the interview. To increase the willingness of customers to

participate, a tangible reward was offered: Participants were rewarded with a beverage of their choice. To make sure that the questions used for the interviews were clear to interviewees, a pre-test was conducted with a few restaurant customers.

Data collection took place in July 2017. To obtain a wider spread of participants, the data were collected on workdays as well as at weekends. Interviews were conducted in the Czech language. A mobile phone dictaphone was used to record the answers. The answers were freely translated into English later and transformed into the quotes to be used in this thesis.

Last, but not least, the results were obtained and reported using the approach of Gioia et al. (2013), which adds a systematic rigour to the qualitative research, but at the same time allows some space for creative imagination.

All employees were informed about this research. The managerial staff in particular supported this research, as the results of the research project could be very valuable for the restaurant. Moreover, the results can improve the overall restaurant performance and the advice given could guide the restaurant to become more customer-focused.

3.2 Research Setting

Pivovar Kytín is a full-service restaurant in the Czech Republic and serves as the setting for this study. The restaurant is located in the Central Bohemian region in the heart of the village of Kytín which is located about 35 kilometres from Prague and has a population of only approximately 450. The Central Bohemian region is the biggest region in the Czech Republic. Moreover, the region is characterised by the second highest income among Czech regions (Czso, 2016). The unemployment rate in this region is approx. 3.45 % (Czso, 2016).

The examined restaurant is situated in a very competitive environment. In the vicinity, you can find a full-service Italian restaurant, an Italian fast-food restaurant, a full-service Chinese restaurant and

at least five full-service restaurants focused on the same Czech cuisine. Moreover, in the same small village, very close to Pivovar Kytín, a full-service pub also serves Czech cuisine. As the area is still developing, competition could intensify in the future. Due to the great competition in this microregion, Pivovar Kytín chose a strategy to differentiate itself: the restaurant brews its own beer. This can be very attractive to customers, as the Czech Republic is a country with the highest consumption of beer per capita in the world (Smith, 2017) and beer has a tradition throughout the country. Moreover, Kytín village is very popular among tourists, because it is situated on the edge of Brdy forests. If the weather is good, tourists often travel through the village. The bus stop close to the restaurant provides regular Prague – Kytín – Prague connections.

The Pivovar Kytín restaurant was first opened on 25.02.2017, after two years of construction of the restaurant and brewery complex. The restaurant is a family-owned business and represents the fulfilment of its owner's dreams. The building looks as if it has already been there for ages, because it was built with respect for Czech history. The whole restaurant project is intended to match the style of architecture of the First Czechoslovak Republic (1918-1938). The building is inspired by this period of Czech history which is known for being elegant, charming and simple at the same time. The inspiration of days gone by is also reflected in the interior of the restaurant. The décor is in the traditional style of Czech houses in the First Czechoslovak Republic era. Many interior items were collected at flea markets, with designers giving them new life to create the perfect overall impression (see Appendix 1).

The symbols and equipment of the brewery also play an important role in the overall design, because the brewery is situated right next to the restaurant. Customers can see the brewery when visiting the restaurant. The dining area is furnished with comfortable, functional seats and wooden tables. A large brick fireplace is situated in the heart of the interior. It is used in winter to enhance the entire atmosphere. The acoustic design minimises the kitchen sounds. The restaurant is divided into three main seating areas – ground floor, first floor and an outdoor summer terrace, which offers a pleasant view of the adjacent lake. The total seating capacity of the restaurant is approx. 145.

Parties such as wedding receptions, graduation parties and other celebration can take place in the restaurant. The first floor is used for these special occasions.

The menu offers traditional Czech dishes, such as a large variety of sauces with dumplings and stewed beef. The menu concept is simple, including lunch, dinner and weekend menus. The Lunch Menu consists of five main courses, while the Dinner and Weekend Menus offer about ten main courses. To meet the need of all types of customers, the menu often offers at least one vegetarian dish, such as salad or pasta. Chefs try to prepare the dishes from fresh, seasonal, local ingredients. This style of cooking is a growing trend in the local market. The Wine List contains four types of own brewed beer and other alcoholic beverages. Furthermore, the restaurant also provides a variety of non-alcoholic beverages, such as tea, homemade lemonade, etc.

Prices are set at approx. 4 – 11 euros per course. Most of the restaurant staff are experts in their field with many years of experience. However, at weekends and for special occasions, temporary, unqualified staff are sometimes needed to meet the high demand. Waiters use tablets to record orders. The order is then directly sent to the kitchen, which facilitates the whole ordering process. The intention of the whole project is to combine a great dining experience with a pleasant atmosphere.

3.3 Participants

Twenty customers of Pivovar Kytín were interviewed. Specifically, eleven women and nine men of different age groups participated in this study. The average age of respondents was 41 years. The youngest respondent was 22 years old, the oldest was 72 years old. Therefore, the chosen sample covers a wide diversity of viewpoints on the examined setting. As the customers were interviewed in the restaurant, immediately after having paid the bill, participants were able to recall their experience of the examined restaurant. All participants were contacted personally, with the purpose of this research being explained to them. I decided to keep the participants partly anonymous, so I only use their first names.

In this research, the group of respondents consisted of persons who are regular customers of the examined restaurant, as well as persons who had never visited Pivovar Kytín before. Eight participants were visiting the restaurant for the first time. Six participants indicated that they visit the restaurant on a regular basis – at least once a week. Interviewees who visit Pivovar Kytín regularly have different expectations and probably a different perception of the determinants of satisfaction than new customers. Moreover, regular customers can also assess the potential progression of the restaurant according to the determinants of satisfaction.

4 Results

The findings of the 20 interviews are discussed in the following chapter. Firstly, the reasons for visiting Pivovar Kytín are discussed, followed by the willingness of interviewees to spread positive word-of-mouth. Next, the loyalty of Pivovar Kytín customers are discussed. Finally, the determinants of customer satisfaction are examined based on the Gioia Methodology.

4.1 Reasons for Visiting Pivovar Kytín

A good reputation is important for a restaurant, as for other business organisations, because recommendations attract new customers. For this reason, at the beginning of the interviews, participants were asked how they had got to know of the restaurant.

Some guests visited the restaurant because of the positive recommendations they had received from their friends or colleagues.

“My friends told me about this restaurant. They recommended this place to me, so I came to try it. I was curious.” (Karel)

“My colleagues were very satisfied with the restaurant, so they encouraged me to visit this restaurant, even recommending a particular beer and meal to me. It made me curious. They have never recommended any place that was not good for me to visit.” (Ludek)

“I got a recommendation to visit this place, my friends had a nice time in this restaurant. So, I came here to experience it for myself.” (Marketa)

The management of the restaurant also decided to establish a Facebook page a long time before the restaurant opened. They shared many photos of the construction process and currently they post photos mainly of the improvements they have made. The Facebook page of this restaurant has

about 1 500 followers to date. Moreover, the restaurant also has Google, TripAdvisor and Foursquare accounts, where customers' reviews are posted. Another rating can be found on the Facebook page of the restaurant. The online platforms contain more than 100 reviews.

“I saw a Facebook page of Pivovar Kytín restaurant. I really liked the way they presented the restaurant on Facebook. The Facebook administrator of this page is quite active. Then I checked the reviews and they are very positive; it seems as if visitors were very satisfied with the restaurant. This fact raised my expectations. The restaurant rating was quite high, so I decided to try it. I don't like to try something without any online recommendations. I think most young people check the reviews before deciding to visit a new place.” (Michaela)

“I saw the Facebook page of Pivovar Kytín by chance. I checked the page and I liked the concept; the images they shared indicated that the restaurant would be worth a visit. I checked the restaurant website and the Google reviews. The reviews were mainly positive. Some customers even posted some photos and I started to be especially curious about the home-brewed beer, which was evaluated only positively in the reviews.” (Pavel)

The owner of the restaurant owns other businesses in this region. The fact that he employs a total staff of more than 160 has made him a well-known person in this microregion. It means that a lot of people knew about the restaurant long before it opened.

“Actually, I know the owner of the restaurant. He told me about this place a long time ago. I know that he is very passionate about the business he has established, so, to me, his business means a guarantee of quality. This brought me here.” (Filip)

“How did I get to know about this restaurant? It was simple, I know the owner very well. I'd known of his intention to establish this restaurant for a long time. He was talking about the restaurant in a positive way, so I came here.” (Jana)

Some of the participants live close to the restaurant, so they got to know of Pivovar Kytín just in passing by.

“I am from this region, so I knew that there was a new restaurant in this village. Actually, I witnessed the whole construction process when passing through the village. I remember that everyone was waiting for the opening.” (Miloslav)

4.2 Willingness to Spread Positive Word-of-mouth

Another question focused on the willingness of customers to spread positive word-of-mouth about Pivovar Kytín, after gaining their own experience. Participants were asked whether they would recommend this restaurant to anyone else. Nineteen out of 20 interviewees said that they would definitely recommend this restaurant to their friends and family. Moreover, some of the participants claimed that they had already done so.

“Yes. I already have. I told my friends and they were really satisfied with this restaurant. It is a unique new building, situated in the heart of a lovely village.” (Ilona)

“Yes! Many persons have been here due to my recommendations.” (Miloslav)

“Yes, and I think that I’ll write a review on TripAdvisor, so I can share my positive experience with as many persons as possible. These reviews are really helpful in deciding whether to come here or not.” (Lucie)

One participant stated that he would not recommend this restaurant to his friends and relatives, because of the smoking ban on the terrace. This problem is discussed later in the chapter (See subsection 4.4.9. Restrictions).

“No, because the owner has banned smoking on the terrace.” (Otto)

4.3 Loyalty of Pivovar Kytín Customers

To disclose customer loyalty, participants were also asked whether they intended to return to Pivovar Kytín in the future.

Interviewees provided three types of answers to this question. Firstly, 15 respondents stated that they were sure to return in future.

“Yes, I’ll be here again tomorrow for lunch.” (Alena)

“Yes, of course I’ll return very soon.” (Eva)

“Yes, I’ll be back, for sure.” (Dana)

Secondly, 4 participants were unsure whether they would return in future, for various specific reasons.

“I don’t know whether I’ll return in future. I live far away and we just stopped by on a bike trip.”
(Karel II)

“I hope to return, but I live far away.” (Lucie)

“I hope to return one day, but at present I am studying abroad and may stay there permanently.”
(Ladislav)

“I am not sure. My husband and I like to try out new things, so we don’t like to visit the same places that we’ve already been to before.” (Alice)

Finally, one participant was sure that he would never return to the restaurant.

“I was not satisfied with the restriction in the restaurant.” (Otto)

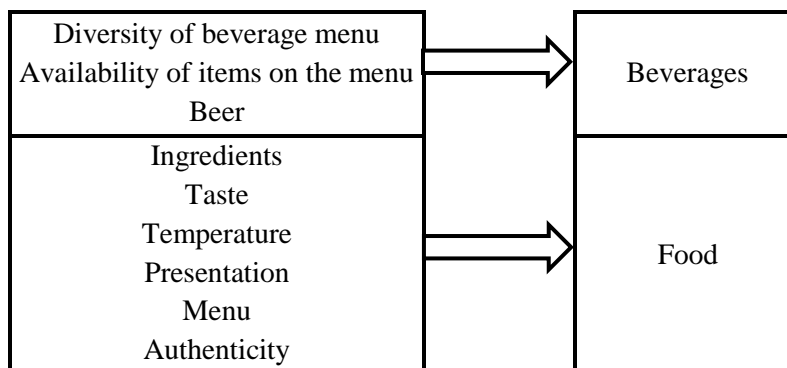
4.4 Determinants of Satisfaction Revealed from the Interviews

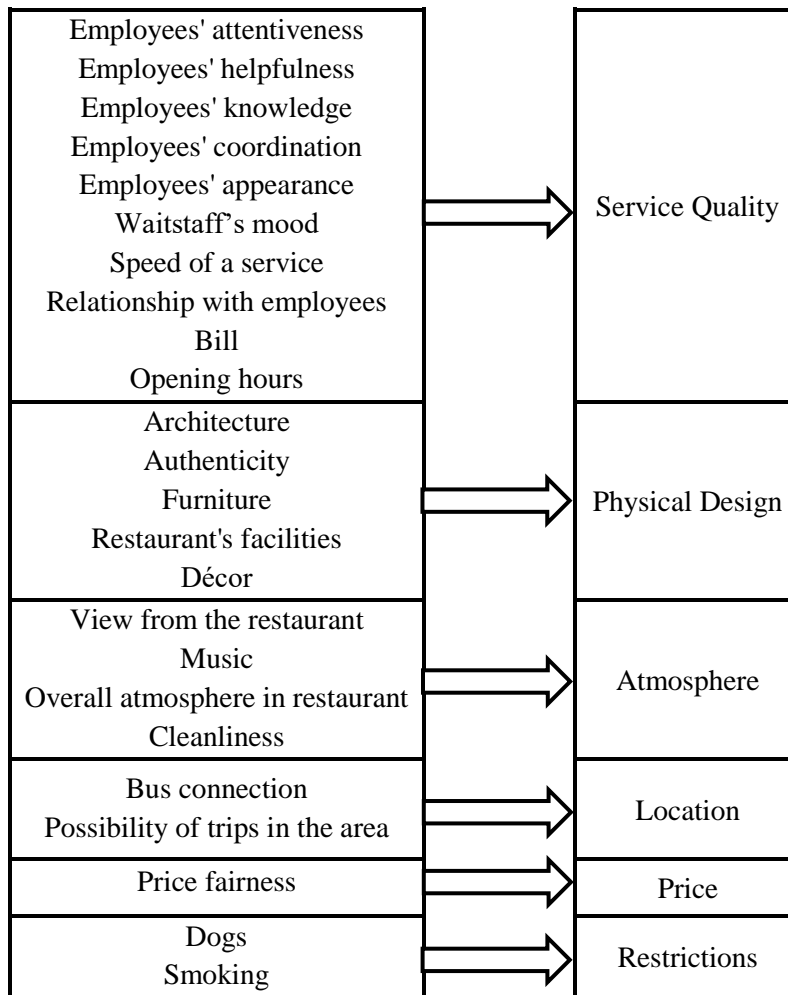
The key purpose of this Master’s thesis is to reveal the determinants of customer satisfaction in the examined restaurant. Firstly, the Gioia Methodology is introduced, after which the eight factors will be discussed individually.

4.4.1 Gioia Methodology

In this section, the determinants of customer satisfaction are described. The interviews were carefully examined to reveal the determinants. The Gioia Methodology was used. Firstly, a transcript of interviews was examined in order to find similarities among the participants’ responses. Secondly, similar answers were clustered into dimensions. These dimensions were labelled. Thirdly, the dimensions which describe a specific determinant of satisfaction were grouped and labelled. The result of the Gioia Methodology can be seen in Table 2. This methodology contributes to a clarification of the interview results and the organisation of them in a well-structured form. In addition, it is easier for readers to comprehend the findings, because the connection between the dimensions and the determinants of satisfaction can be seen.

Table 2: Identified Determinants





4.4.2 Beverages

The restaurant provides non-alcoholic and alcoholic beverages. Moreover, the restaurant provides its own home-brewed beer. The Beverage Menu is unusual. The restaurant manager decided not to offer very common non-alcoholic beverages, such as Coca-Cola and Sprite. He decided to keep up with the trend to focus more on natural non-alcoholic beverages – sodas, juices and homemade lemonades. Furthermore, the origin of these beverages is also important: all originate from producers in the Central Bohemian region. One participant mentioned the limited choice of non-alcoholic beverages as a reason for slight dissatisfaction.

“I must say that I would prefer a standard beverage selection. The choice of non-alcoholic beverages is quite limited.” (Pavel)

On the other hand, one participant stated that the selection of non-alcoholic beverages perfectly suits the traditional restaurant concept. Moreover, it is more appropriate for children.

“I was very surprised about the menu of non-alcoholic beverages. The selection is perfect! I really appreciate the fact that one does not find beverages like Fanta on the menu, because it does not suit the concept of a traditional Czech restaurant. As a mother, I am really happy, because the homemade lemonades and juices are much healthier for my kids. So this is a great plus for this restaurant.” (Alice)

As discussed above, the Czech Republic is a beer-lovers’ country. Czech people consider beer as part of their culture. Therefore, the unique beer offered in the restaurant represents a great attraction to customers.

“I would never visit a restaurant where poor-quality beer or a beer I don’t like is offered.” (Tomas)

“I like the concept – a restaurant, which provides its own beer. This concept is not so common. It represents a great venue for beer lovers, that is, for most of the people I know!” (Ludek)

The restaurant brews four types of Pilsner type beer. On exceptional occasions, additional beers are brewed. These special beers are brewed for exclusive occasions and only in a limited quantity. Some participants claim that they visit the restaurant because of the opportunity to taste the beer.

“I came here because I wanted to taste the beer, many people were talking about it. The quality of beer is very important to me.” (Karel)

“The beer is great. One of the best I’ve ever tried. It is one of the reasons I return to this restaurant so often.” (Filip)

The beer was the most discussed topic during the interviews. It was mentioned 19 times, only one person did not mention it. The participants were very satisfied with the taste of the beer.

“The beer is excellent.” (Otto)

“The beer is really great and has such a unique and inimitable taste.” (Jana)

Interviews revealed problems with the style of serving of the beer, not with the beer itself.

“The taste of the beer is great, but I have the feeling that the waiters sometimes have problems tapping the beer properly. If the beer is unprofessionally tapped, the quality is inferior, which spoils its taste too. Then I cannot enjoy the beer as I should.” (Hana)

“As I said, the beer is really tasty, but sometimes I get an undersized beer. This makes me really dissatisfied.” (Jana)

Sometimes it happens that the demand is so high that some of the four beers are out of stock, due to the limited capacity of the brewery.

“Today, I was really curious about the semi-dark beer, but the beer was out of stock, so I could not taste it. That makes me really sad, because I was really looking forward for a long time to trying this type.” (Lucie)

4.4.3 Food

The chefs prepare meals from local, fresh ingredients every day. They have started their own herb garden and almost all the ingredients come from local suppliers. The restaurant concept is simple, that of local Czech cuisine.

“The restaurant really offers meals which are fresh and local. Unfortunately, this is still not common in Czech restaurants. I really appreciate the freshness of the meals. I visit the restaurant for a dining experience, not to eat food prepared from frozen ingredients, which are often served in other restaurants.” (Filip)

“I can tell that the dishes are made with love. The meals are really delicious.” (Eva)

“The food was tasty. I had a starter and a main course. I really enjoyed my meal. It was also served at a good temperature, I really like the soup to be hot.” (Pavel)

The chefs claim that their food presentation is fairly uncomplicated. They use only simple white plates and bowls. The food should not be arranged haphazardly on the plate and should look good, to be more attractive to the customer.

“I really like the food presentation, it is really simple. Some restaurants still live in the communist era of the Czech Republic and serve plates filled with ingredients, which is useless and does not have a pleasant appearance for the diner.” (Karel)

The restaurant provides three types of menus – Lunch, Dinner and Weekend Menu. The Lunch Menu comprises about five main courses, which differ daily. The Dinner and Weekend Menus offer about 10 main courses, which change from time to time. Moreover, there is also a choice of Starters and Light Snacks, which are available at all times. Some participants noticed certain

problems with the menu, such as a limited selection, the absence of healthy meals and a small variety of vegetarian dishes.

“I was quite disappointed by the menu variety, especially the Dessert section. I know that the restaurant is not a pastry shop, but I would expect at least some very common desserts, which most people like. The Menu of the Day also does not contain healthy meals. To sum up, I would say that the choice in this restaurant is quite limited.” (Ilona)

“I am not a meat lover, so it would be nice if the restaurant offered more vegetarian dishes. Today there was only one.” (Michaela)

Furthermore, there is always one children’s meal on the Dinner and Weekend Menus. The chefs try to prepare healthy children’s meals. Moreover, they really try to avoid serving kids unhealthy junk food, for the sake of their health.

“I really appreciate the meals for kids, that there is something healthy and not just the chips which are usually provided by other restaurants. Here they offer chicken with mashed potatoes.” (Alice)

“I have two kids, so I would be pleased if the restaurant offered more children’s dishes. Normally, the restaurant offers only one children’s course, and my children are quite finicky, so I would prefer it if they could choose from several meals. Moreover, there is no children’s meal at all on the Lunch Menu.” (Ludek)

The Menu is written on paper, which is placed on thin wooden sheets with the Pivovar Kytín logo. One participant was dissatisfied with the Menu appearance.

“Sometimes they make grammatical mistakes in the menu. It does not look professional.” (Jana)

The Menu should be compiled to suit the traditional Czech style of restaurant. For this reason, the Menu is mainly based on traditional Czech recipes, whereas other non-Czech meals are offered in order to meet dietary or vegetarian needs.

“The chefs try to follow traditional Czech recipes. The Czech meals seem authentic to me.” (Jana)

“The food is really authentic. It suits the style of the building.” (Pavel)

“Here you can order traditional Czech dishes, that is cool. The served meals go very well with the beer.” (Miloslav)

But not everyone agrees. The reason for this could be a different perception of Czech cuisine.

“I don’t like the concept offered by the Menu. In a building like this – very stylish – I would expect something more traditionally Czech, I mean Old Bohemian dishes. I would say that the Menu of the Day should better reflect the style of the building. The chefs should really prepare traditional recipes. I was confused that salad was served as a main course. I would say that it should be offered as a Starter. I would be happier if the restaurant would provide more simple traditional Czech cuisine.” (Alena)

4.4.4 Service Quality

The restaurant employs 5 waiters/waitresses and 7 temporary workers to meet the higher demand at weekends and on public holidays. In the interviews, out of all the factors, the service quality was most criticised by interviewees. The perception of service quality differs among the respondents. This may be caused by different attitudes of various employees. It is in line with the statement of one respondent, who is a regular Pivovar Kytín customer.

“I would say that the service standard is not consistent. Sometimes the service quality during my visit is problem-free; sometimes the service is a disaster.” (Tomas)

Some of the participants were really satisfied with the service quality.

“The service is really quick and the waiter was really attentive; he noticed every time that I was missing something. Moreover, he was professional and neatly dressed, in line with the style of the building.” (Petra)

“I am very satisfied with the service quality. The waiter was very helpful; he helped me to choose a dish with respect to my vegetarian preferences.” (Michaela)

“I really liked the service. I think that it is one of the cornerstones of restaurants. These employees are professionals and care a lot about the customers.” (Lucie)

One participant states that he does not care so much about the service quality, as long as the quality is not very bad.

“Service quality is not so important to me, unless I wait for a very long time to be served, more than an hour, or unless the waiter has no interest in the customers. I’ve never experienced this in Pivovar Kytín, so I am satisfied with the service quality.” (Karel)

Some participants were dissatisfied with the service quality. Participants recognise problems of attentiveness, helpfulness, coordination, speed, knowledge and employee mood.

“The service quality should be improved. Sometimes the employees are not as attentive and helpful as they should be. Today we waited for a long time to be served.” (Miloslav)

“I would say that the service quality should be improved. Waitstaff should be more attentive and helpful.” (Tomas)

“The service quality should be improved – especially the speed. Very often I wait a long time to be served or I wait a long time to receive my order or the bill. Sometimes, employees don’t smile, and as they are the face of the restaurant, it is not pleasant for customers. Moreover, I would like to say that the management should pay special attention to employee training, because they are not professionals. I think that this is an area which should be improved.” (Jana)

“I see a possibility for improvement in the service quality; the waitstaff are not coordinated. Twice we were asked to order by different waiters. It does not seem professional. It should be precisely defined which waiter serves which tables.” (Filip)

“The service quality is really an area which needs to be improved. We were here with our friends and the staff were not able to serve so many persons. Sometimes the employees are also arrogant. They don’t smile and you can tell that they are irritated by their work. Employees are unprofessional, they are uncoordinated, they are very chaotic. I have the feeling that the waiters are totally lost, they don’t register new guests and the used plates are left for a long time on the tables. The overall impression of the service quality is not good.” (Hana)

Moreover, participants also experienced problems with the final bill. Waiters use the internal computer system in the restaurant, which should facilitate the process of recording the order and the process of payments.

“I also experienced some problems in receiving the bill, because the computer system had broken down.” (Tomas)

“I think that the computer system is not perfect, sometimes it gets frozen and then it is impossible to pay. In restaurants in the Czech Republic you cannot pay without the possibility of receiving a

bill from this system, so I realise that it is a fault of the Internet connection or the computer. Employees cannot influence this fact, but if it happens, it is inconvenient to customers.” (Filip)

Furthermore, two interviewees experienced that the final bill was not correct. Every order is recorded in the internal system, which generates the final bill.

“I also had problems with the bill, because it included items which I hadn’t ordered. It destroyed my trust in the staff. Currently, I always check a bill very carefully.” (Jana)

“With many guests at one table, problems often occur with the bills. Some items on the bills don’t reflect what we ordered. I perceive this as an embarrassing moment.” (Hana)

Two regular Pivovar Kytín customers appreciate that they have built up a uniquely friendly relationship with the staff over time. They claim that the dining experience has become more pleasant for them.

“I most like the fact that I know the staff, because I am a regular customer. It is important to me that we build up a relationship, so that I can eat in a friendly atmosphere.” (Ludek)

“The waiter knows me by name, he knows my preferences in food and beverages. We can have a short conversation. I have my favourite spot inside where I like to sit. It is important to me to build up a relationship with the staff, so visiting this restaurant is a very pleasant experience for me.” (Miloslav)

The restaurant is open every day, including at weekends and on public holidays. There are longer open hours at weekends.

“The restaurant is open every day, that is unusual, but opening hours like these are more suitable for all customers.” (Ludek)

4.4.5 Physical Design

The physical design was evaluated mainly positively during the interviews. The negative answers by interviewees were rather suggestions for improvement, not complaints. Respondents named some details which need to be improved in future. The building was designed by an architect specialised in the field of the era of the First Czechoslovak Republic. The restaurant building has a partly brick facade, large windows and a tall stylish chimney. The intention of the architect was to create a building concept to imitate the style of the past era and not to look like a completely new building.

“The architecture of this building is very unique. I have never seen anything like this.” (Tomas)

“The architecture of the building is perfect, I can sense the past.” (Eva)

“The architecture of the building is also similar to the style of the village and I have the feeling that the building is very old and has only been restored.” (Ludek)

The restaurant is surrounded by a garden, which is also newly constructed. The garden architecture is fairly simple. The garden around the restaurant is bounded by a fence. A few established trees were already on the plot. In the heart of the garden, there is a stylish brick garden well. As the restaurant has only recently opened, the garden is still incomplete.

“I think that the garden around the restaurant needs to be finished, it has huge potential. Moreover, it can co-create the overall pleasant dining experience. A garden and nature in general are very important to me, when I want to relax. However, I understand that the restaurant is new, so they’ve not had the time to finish it. Once the garden is complete, my dining experience will be even better.”
(Petra)

In future, the owner plans to build a playground in the garden, to meet the expectations and requirements of the families who often visit the restaurant. At present, only a sandbox is situated in the garden. The children's facilities will be extended in future, with big wooden toys planned to be placed there as well. It is very important to meet the needs of children to ensure the parents' satisfaction.

“I am happy that the sandbox is in the garden. We were on the terrace and the kids were playing while we waited for our order. That is really cool for me. Otherwise a visit can be really stressful, because kids soon get bored and they can even be annoying to other guests. So kid's facilities such as this sandbox are very important to us. When a restaurant pays no attention to kids, my dining experience is inferior, because I need to entertain my kids myself, so I can't relax and enjoy the dining out experience.” (Alice)

“The management should keep up with the trend and be more focused on kids. They should build a children's playground outdoors; the sandbox is not sufficient. I own a Museum of Cars, so I know that mothers require a playground where the kids can play.” (Miloslav)

There is a parking area opposite the garden. About 12 cars can currently park in the parking lot. However, landscaping is still ongoing, so one interviewee claimed that the parking area was too small.

“I think that the parking area should be improved. It is small and there are not enough spaces for all customers, but I hope that in the future the parking lot will be extended. I can see that the employees are still working on the landscaping.” (Eva)

Bicycle facilities are located close to the main restaurant gate. Cyclists are frequent customers of Pivovar Kytín. Moreover, cyclists can borrow locks to keep their bikes safe.

“I was surprised that the restaurant is perfectly prepared for cyclists. The bike stands are perfect, I did not damage the varnish on my bike, because the stands are specially adapted. I also borrowed a lock from the restaurant, so I was not stressed that my bike would be stolen while I was eating.”

(Karel II)

The restaurant interior is designed and furnished in line with the exterior – the style of the First Czechoslovak Republic is repeated in the interior.

“The building, equipment and décor are in one style, everything is so coherent, that is nice.”

(Miloslav)

“The interior in the First Republic style and looks very nice and cosy.” (Marketa)

The interior colours are cream and light green. The tables and seats are wooden. The seating is comprised of a combination of benches and normal chairs.

“The furniture is stylish. I have a pleasant feeling when sitting here.” (Eva)

“I don't like the seats. The benches are impractical, because you need to get up when someone wants to go to the toilet.” (Karel II)

Funny old-style posters adorn the walls and the décor is in line with the overall concept. It is simple, but attracts the attention of customers.

“The interior of the restaurant is stylish. It is attractively decorated and furnished with style.”

(Filip)

“The décor is nice and even the posters on the wall are cool. I can tell that someone really thought a lot about the overall concept.” (Lucie)

“I am always fascinated by every small detail in the restaurant. I love to observe what is around me.” (Petra)

It is possible to watch how the beer is brewed within the restaurant. The brewery facility and equipment are situated behind a large glass window. So customers can observe the brewer at work.

“I love the opportunity to see how the beer is brewed; it is a great experience. I always check out the brewery facility when I come.” (Alena)

“You can also see how the beer is brewed, which you don’t see every day. This is very unique and I always enjoy it.” (Marketa)

4.4.6 Atmosphere

Dining out does not only concern the food and beverages, but also the restaurant atmosphere which creates the overall impression of the restaurant. To create a pleasant atmosphere and provide an excellent dining experience, cleanliness is one of the crucial aspects. The cleaning lady comes regularly on a daily basis to the restaurant. However, the waitstaff are responsible for the table cleanliness. Kitchen hygiene is standardised by many regulations.

“The overall cleanliness of the whole place is very important to me. The purpose of my visit is to eat something, so I require a high level of cleanliness. I consider this to be the basis. This restaurant meets these hygienic requirements.” (Ilona)

“The restaurant gives me a clean impression. This is very important to me. I would never eat anywhere where the standard of hygiene is low.” (Marketa)

Moreover, interviewees agreed that, to provide an agreeable atmosphere, the view from the restaurant is very important, so the surroundings of Pivovar Kytín plays a pivotal role. The

restaurant is situated near a lake. So, from the windows and terrace, one can see the lake surrounded by the well-maintained village green.

“I like the atmosphere and the surroundings. The outside seats on the terrace with the view of the lake are really nice.” (Alena)

“The view from the restaurant is beautiful – you can see the lake, it is really relaxing. Moreover, village employees care for the village green. The attractive surroundings increase your appetite!” (Lucie)

“What I really like is that there is a beautiful view of the small lake, which is located in the middle of the village.” (Marketa)

There is no music played either inside or outside the restaurant. The manager decided not to play any music, but decided to rely on the natural sounds made by the customers. One participant in the research appreciated that no music is played.

“I am very happy that there is no music. I like just the sound of other guests’ conversation and the clinking of glasses. Moreover, a week ago in another restaurant, I experienced that the music was so loud that I had to ask an employee to turn it down.” (Ladislav)

Some respondents said that the overall restaurant experience gave them a certain feeling, which is also important for them to feel satisfied.

“It seems as if I am in a different time period – in a past era. I really like it.” (Petra)

“Every single detail plays its role, so the overall impression of the restaurant is very pleasant.” (Miloslav)

“The atmosphere in here is very peaceful, making the restaurant quite extraordinary.” (Tomas)

“The restaurant provides a magical atmosphere, which enhances the unique dining experience.”
(Karel)

“I noticed the quiet, peaceful atmosphere of the village, making the restaurant a perfect place to relax.” (Eva)

4.4.7 Location

As mentioned above, Pivovar Kytín is located in the heart of a small village, surrounded by nature and forests. The location makes the restaurant the perfect place to stop by or to relax when visiting the neighbourhood.

“The location of the restaurant is perfect. I went on a trip in the beautiful countryside and then came here for lunch.” (Dana)

“It is a perfect place to relax after a cycling excursion or a walking tour.” (Marketa)

The location of the restaurant in the countryside can also be disadvantageous for some customers. The bus connection to the small village is not so convenient, because of a small number of buses per day. During weekdays in peak hours, two buses per hour go to Prague, but on weekends, there is only one bus every two hours. The bus stop is located near the restaurant. One participant claims that it is difficult to reach the restaurant without a car.

“It is more difficult to get here without a car, because buses come only once every two hours from Prague. However, I am a realist and know that this cannot be changed by the owner.” (Michaela)

4.4.8 Price

It is surprising, but price was mentioned only three times during the interviews. Prices are stated on the Menu. Prices differ for the Lunch, Dinner and Weekend Menus. The Lunch Menu is cheaper, due to the less demanding recipes. After examining the prices of competitors, the prices of main courses and beverages at Pivovar Kytín are set at the same price level. This can be considered as the reason why no one complained about the price.

“The prices are fairly cheap. I work in Prague and there the prices for food and beverages are set higher.” (Marketa)

“The prices are set optimally. I don’t see any problem with that.” (Ludek)

“The restaurant is definitely not overpriced; I am satisfied with the price.” (Karel)

4.4.9 Restriction

Restrictions are the limiting conditions which, in this case, are set by the owner. Furthermore, restrictions regulate customers’ visits to Pivovar Kytín. Two interviewees are dissatisfied with the restrictions. Firstly, Czech law does not allow smoking inside a restaurant, but the owner decided to ban smoking on the outside terrace as well. Two special smoking areas are reserved outside for smokers. These smoking areas are located away from the tables, so smokers need to leave the tables for a smoke. The smoking ban on the outside terrace is quite unique in the Czech restaurant business environment. The owner decided to ban smoking on the terrace, because of the many children who are seated outside and the carelessness of smokers who want to smoke right next to them. However, this restriction caused the dissatisfaction of one interviewee.

“I do not get it, it is normal to have a good beer and a smoke outside, but this restaurant provides only two spots for smokers far away from the tables. I am very dissatisfied with this ban of smoking on the outside terrace.” (Otto)

Secondly, it is forbidden to take a dog inside the restaurant. Of course, dogs can be on the outside terrace. There are also bowls of water prepared for them.

“It is a pity that I cannot take my dog inside. Now it is summer, so we can eat outside together, but in the winter, I can't visit the restaurant with him.” (Marketa)

5 Conclusion

The restaurant industry is very competitive; hence it is highly unlikely for a restaurant to survive without satisfied customers. For this reason, a focus on the determinants that are crucial for customer satisfaction should be one of the top priorities of every restaurant. To this end, this Master's thesis aimed to answer the central research question: What are the determinants of customer satisfaction in Pivovar Kytín? For this purpose, 20 interviews were conducted with restaurant customers. Analysis was performed by Gioia's Methodology (2013) to increase the level of rigour in this qualitative research.

A total of eight determinants of customer satisfaction were revealed, each one with various dimensions. The factors are as follows: beverages, food, service quality, physical design, atmosphere, location, price and restrictions. Based on the conducted interviews, these are all important factors. As indicated earlier, numerous studies have examined the determinants of customer satisfaction in the restaurant setting, but their results differ. When the eight factors are compared to the prior literature, it can be concluded that food, service quality, physical design, atmosphere and price were already indicated as determinants of satisfaction in several studies. Therefore, this study further confirmed these as being important factors in customer satisfaction.

However, this research contributed further by detecting three additional factors. The first of these is beverages, which are very important. This is especially true of Czech customers who typically prefer restaurants serving excellent quality beer, given the tradition of this beverage in this geographical area. The second factor is restaurant location. For example, the inability to be able to reach a restaurant easily by public transport may be a factor hampering the satisfaction of some customers, while the possibility of trips in the surrounding countryside may be a positive determinant of satisfaction. Lastly, possible restrictions on smoking or the acceptance of dogs may determine whether a certain group of customers is satisfied or not. Obviously, it is virtually impossible to satisfy all customers. However, these factors should be taken into consideration. Therefore, the key contribution of this research is that it provides crucial attributes of customer

satisfaction in a specific Czech restaurant setting. Moreover, this study contributes to the understanding of the typical Pivovar Kytín customer. Table 3 provides an overview of the examined literature and additional results of this thesis.

Table 3: Comparison of Results and Prior Literature

Researchers	Research setting	Determinants of satisfaction
Saad Andaleeb & Conway (2006)	Full-service restaurants in the United States	Service quality Price Food quality
Ryu et al. (2008)	Fast-food restaurants in the United States	Perceived value Restaurant image
Liu & Jang (2009)	Chinese full-service restaurants in the United states	Food authenticity Service quality Food quality Atmosphere Price fairness Environmental authenticity
Nam & Lee (2011)	Traditional restaurants in South Korea	Value for money Expectation Service quality - Intangible dimension - Food dimension - Tangible dimension

Khan et al. (2013)	Fast-food restaurants in Pakistan	Service quality Brand Physical environment Price Promotion Customer expectation Taste
Marinkovic et al. (2014)	Full-service restaurants in Serbia	Quality of interactions Atmosphere
Sabir et al. (2014)	Full-service restaurants in Pakistan	Price Service quality Physical design Food quality
Ramanathan et al. (2016)	Chinese buffet restaurants in the United Kingdom	Food quality Price Environment Service quality
Rashid et al. (2016)	Fast-food restaurants in Malaysia	Food quality Service quality
Pomahacova (2017)	Full-service restaurant in the Czech Republic	Beverages Food Service quality Physical design Atmosphere Location Price Restrictions

6 Managerial Implications

This research provides important managerial implications for the Pivovar Kytín restaurant. The findings of 20 interviews revealed 8 determinants of customer satisfaction: beverages, food, service quality, physical design, atmosphere, location, price and restrictions.

Table 4 provides an overview of the determinants, with their dimensions and their negative or positive aspects. A plus or minus symbol is assigned to each dimension of the determinant, based on the perception of the respondents in Pivovar Kytín.

Table 4: Perception of Determinants in Pivovar Kytín

+/- - +/-	Diversity of beverage menu Availability of items on the menu Beer	Beverages
+ + + + - +/-	Ingredients Taste Temperature Presentation Menu Authenticity	Food
+/- +/- + - + - - + - +	Employees' attentiveness Employees' helpfulness Employees' knowledge Employees' coordination Employees' appearance Waitstaff's mood Speed of service Relationship with employees Bill Opening hours	Service Quality

+	Architecture	Physical Design
+	Authenticity	
+	Furniture	
+/-	Restaurant facilities	
+	Décor	
+	View from the restaurant	Atmosphere
+	Music	
+	Overall atmosphere in restaurant	
+	Cleanliness	
-	Bus connection	Location
+	Possibility of trips in the area	
+	Price fairness	Price
-	Dogs	Restrictions
-	Smoking	

Respondents often do not share the same point of view on the dimensions, but some problems within the determinants were identified by many of them. This could be a sign of the improvements needed. Based on these findings, the following recommendations can be made:

1. The beverages were mainly positively evaluated. Some customers were satisfied with the diversity of the beverage menu, some not. A restaurant cannot please every customer, but an extension of the beverage menu could be considered. Moreover, items on the menu which are also displayed online should always be available, otherwise customers could be dissatisfied because they have certain expectations that cannot be met. The Pivovar Kytín management should be more focused on employee training, so that the drinks are correctly served.

2. Respondents identified some problems within the food determinant. Customers complained about the menu variety. Children's courses, vegetarian meals and healthy food were lacking. An extension of the menu should be considered by the management, as well as the economic impact of this decision. Moreover, staff should also avoid grammatical mistakes in the menu, which degrade the level of the restaurant. Furthermore, Czech cuisine is perceived differently among

customers. Therefore, chefs should study additional Czech recipes, so as to prepare more authentic dishes.

3. This study revealed problems in the service area, which was the most criticised determinant during the interviews. It indicates the low performance of the restaurant in this area. Furthermore, the service quality is not stable. Therefore, the attention of the management should concentrate on service quality in order to satisfy customers. Furthermore, management should focus on employee training. Employees need to become really professional in the service quality field, otherwise they are unable to serve customers appropriately. It is important for employees to follow the rules of excellent service. Employees should recognise new customers and greet them warmly. They should show them to their tables. It is proven that the first minute of a visit has a huge impact on the customer's opinion of the restaurant (Hejlova, 2017). Moreover, employees should behave attentively, not allow guests to wait, but not interrupt them frequently. In addition, customers should be served quickly and be informed of any delays with their orders. In order to be helpful, employees should know the menu by heart and recognise the customers' needs. Research has also identified problems with employee coordination. Therefore, waitstaff should have it clearly defined which tables they are to serve. The management should also consider an exchange of the internal computer system. The current system is unreliable and causes inconvenience to customers. Waitstaff should also pay more attention when entering meals and beverages into the internal computer system, so that bills are error-free.

4. The landscaping should be finished, so that the restaurant provides a pleasant dining experience in an attractive environment. Moreover, the restaurant should provide more children's facilities, where they can play while waiting to be served. Children's facilities should be placed outside as well as inside the restaurant. Currently, a sandbox and some other toys are planned outdoors. However, there is nothing special to amuse children indoors. So, at least colouring books and stuffed animals should be placed inside the restaurant.

5. The restrictions are set by the owner. It is forbidden to take dogs inside the restaurant or to smoke inside the restaurant and on the outside terrace. Respondents who are affected by these bans are mostly dissatisfied. By abolishing these restrictions, others will be dissatisfied. As long as the restrictions are reasonable, a thoughtful person will accept them, even if they are unusual.

6. The restaurant is difficult to reach without a car. Therefore, the management should either think of their own transport from the surrounding big cities, or talk to the Mayor of the village and ask him to support a bus connection at peak hours and during weekends.

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7 Limitations and Future Research

There are several limitations to this Master's thesis. The research was conducted in one particular restaurant – Pivovar Kytín – so it does not allow conclusions to be generalised for other restaurants. In addition, the generalisation issue is also applicable to the sample of respondents. Twenty persons of different age and gender were interviewed, but this does not mean that conclusions can be generalised to the larger population. Therefore, future studies could repeat the research in different Czech restaurants, to gain greater insight into Czech restaurant customers. Moreover, within the examined sample, there is only one respondent who claimed that the purpose of his visit to Pivovar Kytín was for a business meeting. Future research could thus interview only those persons who are at Pivovar Kytín for the purpose of a business meeting, to gain more understanding of this particular customer group. Furthermore, this research revealed potential factors which influence customer satisfaction in Pivovar Kytín restaurant, so the natural next step should be to develop a quantitative survey to employ the qualitative data gained from the interviews. It would also be useful to include a larger number of participants.

Future research can thus discover the importance of these revealed determinants of customer satisfaction in the examined restaurant. A list of these determinants ranked by their importance could be very interesting to restaurant management, because it could reveal which factor increases satisfaction the most. Moreover, researchers should also employ moderating factors, such as age, education, gender and purpose of the visit, so that the results are richer.

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Appendices

Appendix 1: Interior of the Pivovar Kytín



Appendix 2: Predefined Interview Questions

1. How did you get to know about this restaurant?
2. Is this your first visit, or have you been here before?
3. Why did you pick Pivovar Kytín instead of another restaurant?
4. Do you intend to return to Pivovar Kytín in future?
5. Would you recommend this restaurant to others?

Why?

Why not?

6. What do you like about this restaurant?
7. What do you dislike about this restaurant?
8. Do you have some advice for this restaurant management?
9. Overall, how satisfied are you with Pivovar Kytín restaurant?
 - Why are you satisfied?
 - Why are you dissatisfied?
10. Is there anything you wish to add?
11. What is the purpose of your visit? (business/leisure)
12. Who accompanied you to the restaurant?
13. How old are you?
14. Female/Male

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