

# SERVICE MARKETING

## *Midterm Project*

A Research on Customers' Perceptions & Expectations of the Service Quality of AGA Burger Restaurant

Technically title goes with family name

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Nov. 14, 2018 ✓

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# Introduction

## *Backgrounds*

AGA Burger, a small restaurant located in a small alley in Changhua, was established up by a local couple with great efforts put into it. Due to pure passion for burgers and a dream to have their own restaurant, they opened their first one in Ximending, Taipei, in June 2013.

However, the profits made by a catering business are inherently not as high, and the rent in Taipei was extremely

From a business point of view - this is not the whole story - Would the market not support the price they needed to charge?

As a result, they decided to close the restaurant temporarily to find a better site.

Since the owner himself was originally from Changhua, and he had noticed that most of the restaurants in Changhua were mainly served traditional local cuisines. In addition, the market for burger places in Changhua was not as saturated as it was in Taipei. Therefore,

in 2016, he made up his mind to take his

The owner, originally from Changhua, had noticed on trips back to the city that ...

spouse back to Changhua and started over again.

## *Operational Philosophy*

They stick firmly to the operational philosophy of always doing as they can, and not trying to reach for something beyond their grasp. They even designed and made all the decoration of the restaurant with their own hands, in order to provide a dining environment that is clean, simple, and peaceful. (See Figure 1).

decoration is all handmade by the owners themselves



Figure 1 AGA Burger Internal Environment

They also aim to create the sense of home, and they try to be as kind and friendly as possible while interacting with the customers. They strongly

believed that having a good mood while having a meal is very important, because when you feel good, everything tastes better. That's why they put such high value on customers' dining experiences.



Figure 2 AGA Burger Internal Environment

## *Foods*

In terms of the dishes, they insist on picking up the ingredients by themselves. ~~Since the burden of rent has become lighter,~~ ~~they pay less attention to~~ natural ingredients. They aim to present the original tastes of food, so they choose to use the simplest, freshest, and

unprocessed ingredients. Usually when it comes to burgers, people think of "junk food". Nevertheless, the inspiration of turning the lettuce into hot, cooked vegetables has changed people's perspectives on burgers that it is possible to attain the balance of nutrition while eating burgers. They find it surprisingly interesting that a ~~number of older customers who are~~ are willing to give it a high acceptance.

They have been pleasantly surprised by the number of older customers who are willing to try and become fans of this kind of food.



Figure 3 AGA Burger Menu

They've created burgers that are acceptable and unique to the customers, while differentiating themselves from their competitors. It then leads to a conclusion that, "the way to customers' hearts is through satisfying their stomachs with such simple and honest



Figure 4 AGA Beef Burger  
cooking spirit.”

### *Vision*

As for their vision of the future, they wish that they can open more restaurants, under the name of AGA, with different kinds of natural and tasty delicacies.

## **Project Objectives**

### *Innovative Process*

Clarify objectives  
The objectives of the report as as follows:  
(Then list with numbers - particularly in a management report)

ger  
ing  
ger

places. They replace lettuce with cooked cabbage and boiled asparagus. It’s a mixture of Western- and Eastern-styled burger, with a taste of freshness lingering in the mouth.



Looks good!  
Pity about the cheese! Processed cheese

Figure 5 AGA Burger Meal

### *Vintage Décor*

When it comes to the styles of products or architecture, entrepreneurs put a great emphasis on innovation and creativity. The design of AGA Burger is based upon old houses, with handmade decorations embellished on the walls inside the restaurant. With a vintage

look on the outside, it attracts both young and middle-aged people to come having meals and sharing with the internet, which allows the restaurant to increase its exposure to even more people.



Figure 7 AGA Burger Internal Decorations

### *Dietetic Hygiene*

Nowadays, people strongly value dietetic hygiene. The owners of AGA Burger pick up their main ingredients at the nearby traditional market in Changhua, and the seasonings are bought at an American-styled market.

Since their kitchen is an open kitchen, customers are able to see the cooking and making processes through their dining tables, which provides them the reassurance they might need.



Figure 6 AGA Burger Open Kitchen (back)

### *Wide Range of Customers*

It is known that the middle-aged population in Changhua is higher than other cities in Taiwan. Some of the middle-aged people might not like the regular American burgers as much, but since the burgers in AGA are a mixture of Western and Eastern styles, the middle-aged people are very fond of it, and sometimes bring their family with them. This wide range of customers allows us to collect opinions from customers at various ages,

which is beneficial for us to present a diversity in our sampling.

In summary, due to the four aspects mentioned above, we believe that AGA Burgers can provide us useful information for our project. To own a restaurant isn't easy. They started their business with the assistance of customers' word-of-mouth, they are gradually making their dreams come true. In this project, we're mainly going to study their service quality, and the underlying factors that help them to achieve their success or lead them to potential failure.

## Methods & Results

### Methods

In our research perceptions and experience service quality of A

adopted two types of marketing research programs: SERVQUAL surveys and studies. The detailed process is shown as follows.

explanation of how we put them into practice now follows.

### SERVQUAL Surveys

According to a research report by Parasuraman, Zeithaml, & Berry (1985),

Ask me about using present tense  
Ask about citation with quotes

avoid abbreviations in formal writing.

“a refined scale (SERVQUAL) with 22 items spread among five dimensions (Tangibles, Reliability, Responsiveness, Assurance, and Empathy).” It's said that these five dimensions are used to measure customers' perceptions of service quality. However, another paper written by Stanworth, Hsu, & Chang (2014) indicated that the Western-based quality measurement (SERVQUAL) is not able to fully apply to non-Western cultural contexts. They then created and developed a scale to assess customers' perceptions of service quality for the Chinese cultural contexts. Since Taiwan is also within the Chinese cultural contexts, we applied their findings of the six service quality dimensions (Chin-

A number of researchers suggest using service quality dimensions that represent the specific ways Chinese customers think about service (REFs). Stanworth, Hsu and Chang (2014), following this approach, propose six dimensions of service quality localized to Chinese culture.

chieh, Respect, Professionalism, Sense of Sincerity, Active Service, and Comfortableness) in our research.

We designed our online questionnaire (See Appendix) based on the six service quality dimensions mentioned above. The detailed contents of the questionnaire are illustrated as follows.

### [Section 1: General Information of Customers]

In this section, participants are asked of their gender, age, educational level, residential area,

Frequency of coming to the restaurant

### [Section 2: Service Quality Dimensions]

In this section, participants are asked to rate the statements under each of the six service quality dimensions from strongly disagree to strongly agree. Listed as follows:

Questionnaire contents could also be a appendix

#### Chin-chieh

- Use warm greetings and concerns.
- Nice face to the customers at all time.
- Pay extra attention for those who were in need (e.g. the elder, the weak, the pregnant, and children).

#### Respect

- Provide equal service for everyone.
- Usage of courteous phrases (please, thank you, excuse me, and sorry).
- Ask for permission before serving or providing service.
- Focus on serving each one of the customers.

#### Professionalism

- Provide specific and detailed introduction of the dishes when asked.
- Deliver the food in the right order (e.g. appetizer → main course → drink).
- Dressed neat and tidy.

#### Sense of Sincerity

- Never forget the promised service.
- Responsive to customers' requests.
- Won't blame customers, and admitted their mistakes.

#### Active Service

- Step forward and inquire customers' needs if they look around.
- Actively recommend
- Pay attention to the tables all the time.

Good job with the dimensions

## Comfortableness

- Won't look customers up-and-down.
- Keep certain distance with customers.
- Give customers an uninterrupted space for meals.
- Won't ask customers about personal or irrelevant questions.

## [Section 3: Service Quality-Expectations]

In this section, participants are asked to compare their expectations of an

restaurant, and rate the dimensions from 1 (strongly disagree) to 5 (strongly agree) for the following statements and questions:

Good - (1) service quality is the gap between expectation and perceptions of service - so you are operationalizing this.  
(2) ... but do Chinese customers use *disconfirmation* to assess service in the same way as Western customers?

→ Considering a "world class" restaurant to be a "5," how would you rate AGA Burger restaurant's performance on the following service features?

→ Consider you  
Very good - I like the way you have tried to make this work and by doing that started to understand some of the limitations of this approach. You will see that PZB (SERVQUAL authors) have a number of papers in the early '90s that develop their approach further.

restaurant, how would you rate AGA Burger restaurant's performance on the following?

→ For each of the following dimensions, choose the number that indicates how AGA Burger restaurant's performance compares with your *minimum service level*.

→ For each of the following dimensions, choose the number that indicates how AGA Burger restaurant's performance compares with your *desired service level*.

## Critical Incident Studies

The questions to be asked in this method, we referred to the ones that are listed in a research done by Bitner and Tetrault (1990). Illustrated as follows:

→ Think of a time when, as a customer, you had a particularly particularly dissatisfying experience in AGA Burger restaurant.

→ What specific circumstances led up to this situation?

The following questions are often used to elicit critical incidents.

- Exactly what did the employee say or do as a response to the situation?
- What resulted that made you feel the experience was satisfying or dissatisfying?

Yes - good.

AGA Burger are different from the regular American ones, elder people seem to be more acceptable to them, which provides a wide age range of

## Results

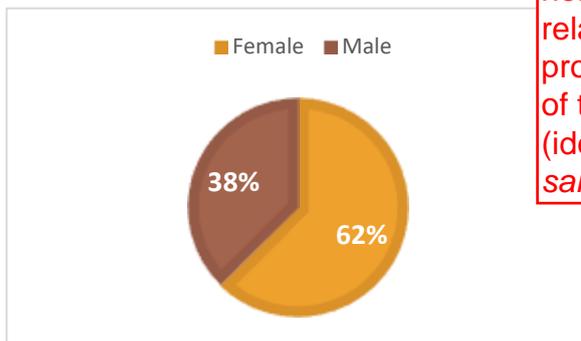
### SERVQUAL Surveys

#### [Section 1]

#### Gender

A serious effort - well done

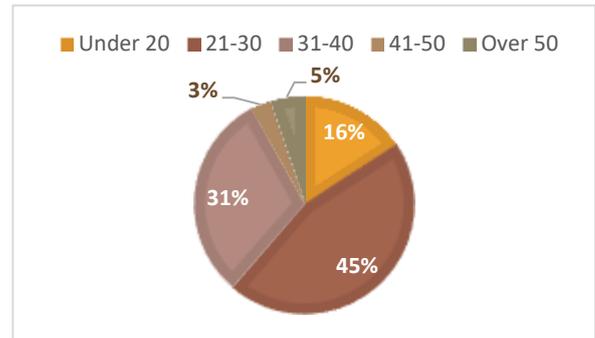
With 101 responses we received, there are 63 female respondents and 38 male ones. This result also shows that in general there are relatively more female customers than male ones.



Graph 2 Gender Distribution

#### Age

The result indicates that most of the customers in AGA Burger are young people. However, since the burgers of



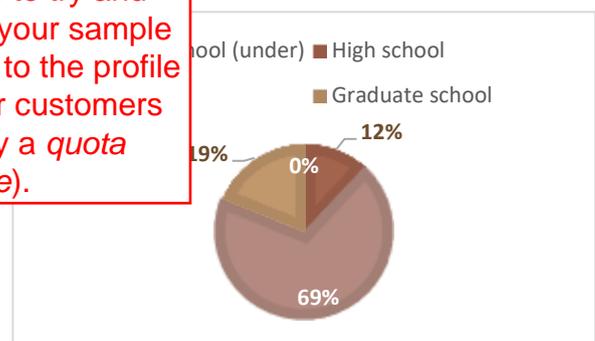
Graph 1 Age Distribution

customers in AGA Burger.

#### Educational Level

The result shows that the customers of AGA Burger are mainly composed of high school graduates.

I would not go into such detail on the sample. Your aim here is to try and relate your sample profile to the profile of their customers (ideally a quota sample).

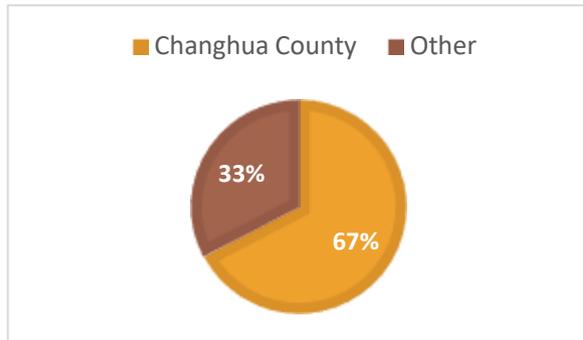


Graph 3 Educational Level Distribution

#### Residential Area

The result obviously shows that the customers are mostly from Changhua, and the rest might be composed of

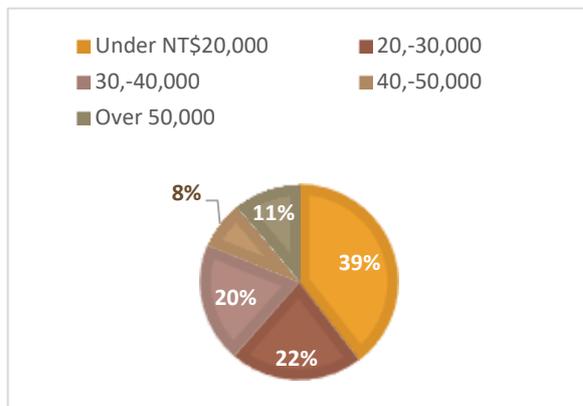
travelers, tourists, business people, etc.



Graph 5 Residential Area Distribution

### Income Level

The result shows that the income level of a large group of customers in AGA Burger belongs to the section of under NT\$20,000. The whole section, to here, can be abbreviated to a table or a short paragraph. that the meal prices are not too high.



Graph 6 Income Level Distribution

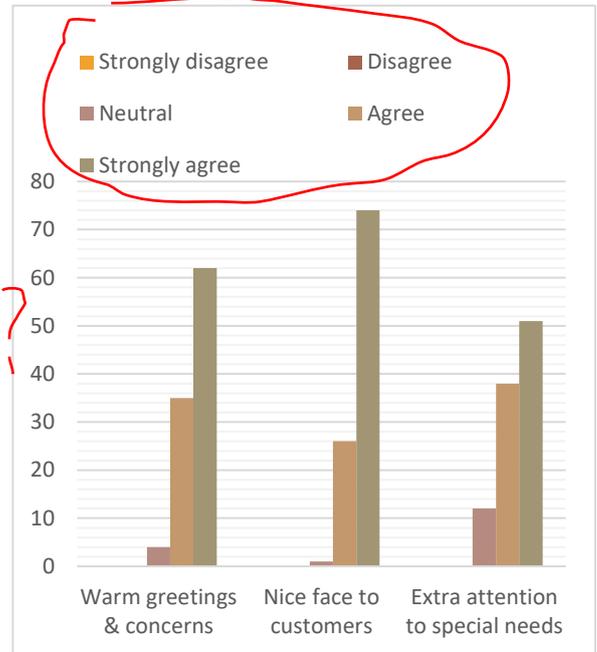
### [Section 2]

### Chin-chieh

The result shows that the majority of the customers agree to the aspect of Chin-

chieh in AGA Burger, especially for the owners wearing nice face to customers at all time.

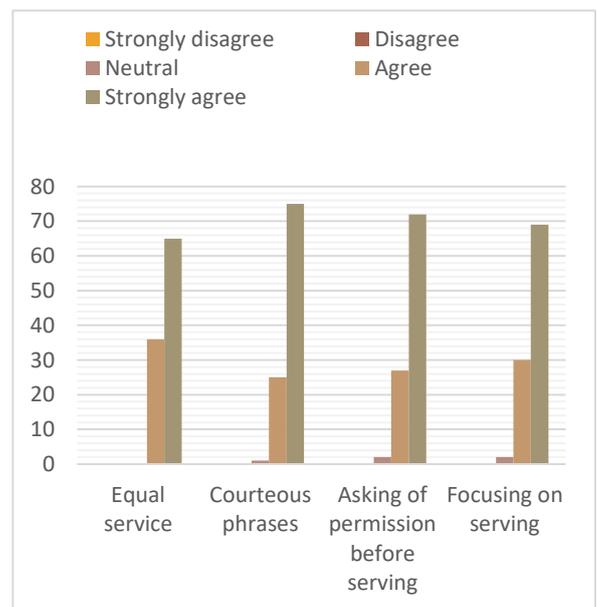
Wasting space



Graph 4 Customers' Perceptions of Chin-chieh

### Respect

In terms of the aspect of respect,



Graph 7 Customers' Perceptions of Respect

customers in AGA Burger highly agree to the owners being polite and attentive to their customers.

they<sup>are</sup> busy.

avoid abbreviation of common terms in formal writing.

Professionalism

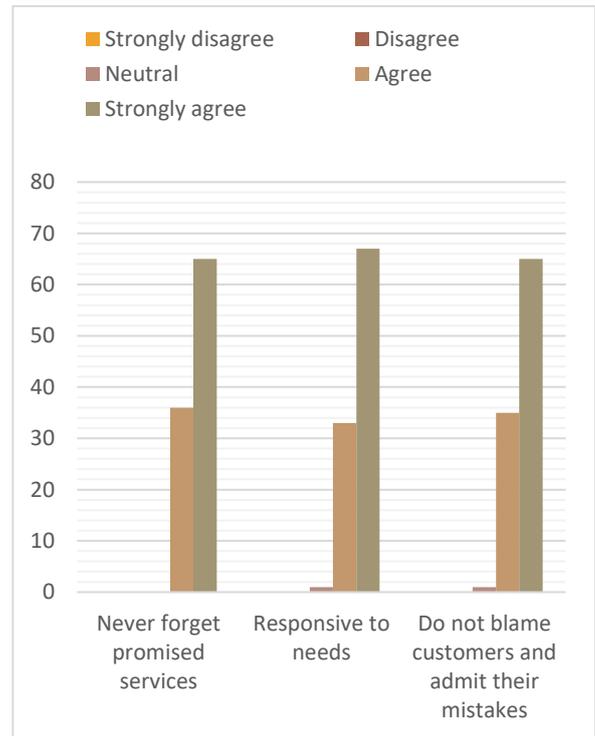
Compared with other aspects of service quality, customers' perceptions of professionalism are

not so homogeneous (Figure 9).

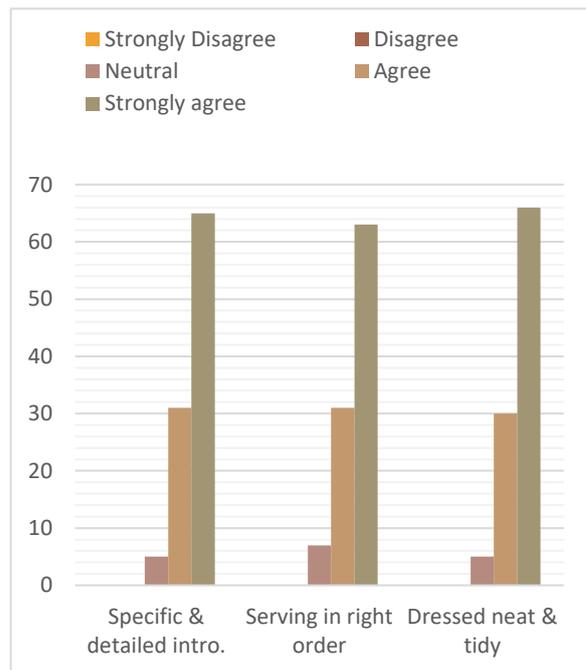
Nevertheless, most

agree when it comes to AGA Burger's professionalism quality.

Insert automatically - Figure label and in text reference



Graph 8 Customers' Perceptions of Sense of Sincerity



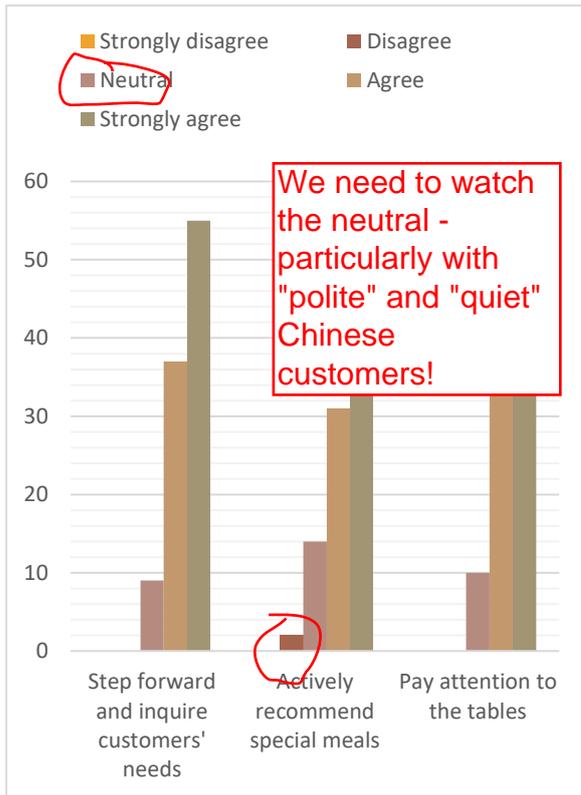
Graph 9 Customers' Perceptions of Professionalism  
Figure 9

Sense of Sincerity

As the result indicates, the owners of AGA Burger are still being sincere and patient to their customers even when

Active Service

The result shows that even when the owners of AGA Burger are busy, they still pay attention to customers' needs. However, we noticed that there is a small group of people responded that they didn't experience the activeness when it comes to actively recommending special meals.

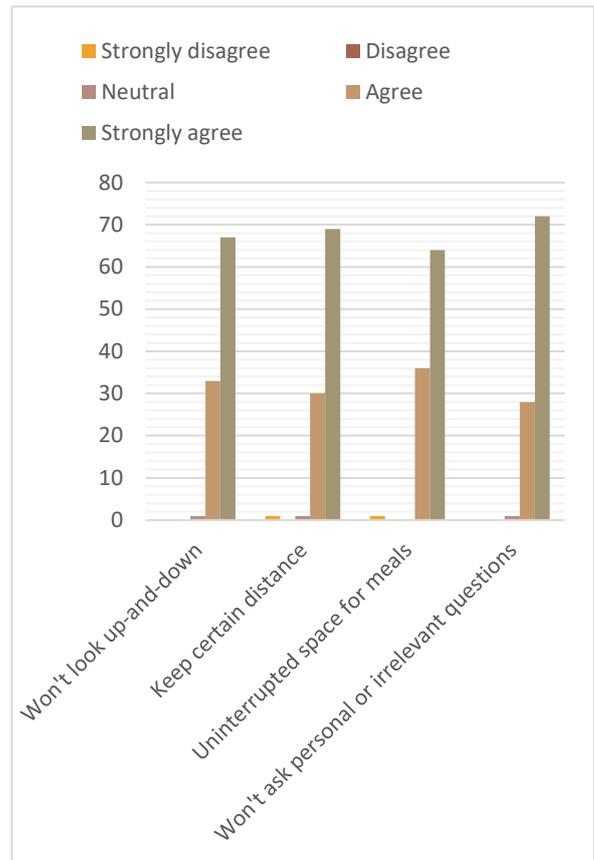


Graph 10 Customers' Perceptions of Active Service

### Comfortableness

The result indicates that the majority of the customers feel that dining in AGA Burger is relaxing and **easy**. However, we did notice that there is few respondents who didn't agree to statements as keeping certain distance with customers or giving customers an uninterrupted dining environment. We assumed that since the owners didn't strictly stopped people from chatting or laughing out loud, it's likely that some of the customers might feel disturbed or

offended.

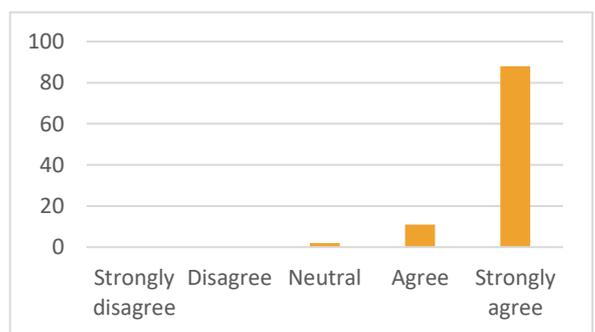


Graph 11 Customers' Perceptions of Comfortableness

### [Section 3]

When customers have a problem, an excellent restaurant will show sincere interest in solving it.

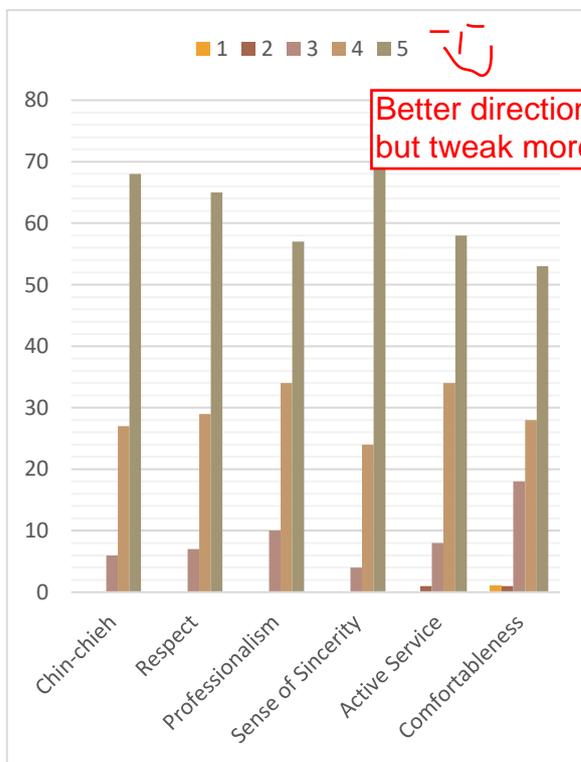
(The majority of the respondents agree to this statement.)



Graph 12 Customers' Expectations

→ Considering a “world class” restaurant to be a “5,” how would you rate AGA Burger restaurant’s performance on the following service features?

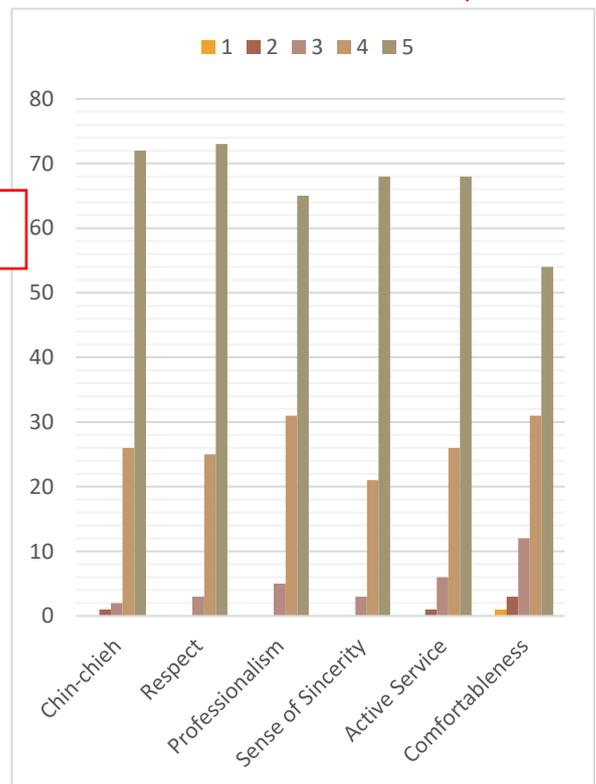
(Most of the people believed that a “world class” restaurant because of its relatively higher price, the service quality must be really nice. Compared with it, the majority of the respondents feel that with the meal prices of AGA Burger, it’s good enough for their service quality.)



Graph 13 Customers' Expectations Compared with World Class Restaurant

→ Compared with the level of service you expect from an excellent restaurant, how would you rate AGA Burger restaurant’s performance on the following?

(As the result indicates, the majority of the respondents consider AGA Burger as an excellent restaurant. However, there are still few disagreements when it comes to Chin-chieh, Active Service, and Comfortableness.)



Graph 14 Customers' Expectations Compared with an Excellent Restaurant

→ For each of the following dimensions,

choose the number that indicates how AGA Burger restaurant's performance compares with your *minimum service level*.

(During our data collection stage, at first we didn't expect that the respondents would be confused with the question. Even though we added on extra explanations about this question, the received responses still don't provide any useful information. Thus, we considered this as invalid.)

→ For each of the following dimensions, choose the number that indicates how AGA Burger restaurant's performance compares with your *desired service level*.

(During our data collection stage, at first we didn't expect that the respondents would be confused with the question. Even though we added on extra explanations about this question, the received responses still don't provide any useful information. Thus, we considered this as invalid.)

Questionnaire format is hard. Particularly when it is complex. Think of those "quick start" guides you get when you buy an electrical product. That kind of approach can help. An electronic questionnaire - also has potential to solve this problem.

## Critical Incident Studies

We interviewed 10 customers in total in AGA Burger restaurant, and the first thing that came into their minds were all about particularly satisfying dining experience. Though some of them did mention about a couple of flaws, they didn't affect their willingness to dine in AGA Burger again. Since the customers were aware of the dining space being rather limited, most of them could understand and tolerate the slow serving pace when the restaurant was crowded.

However, we also discovered that during our interviews, the majority of the customers were there the first time, or some of them couldn't really tell us about an exact satisfying incident or situation of their dining experiences. For those who were there the first time, we could only ask them about their feelings towards the service quality based on that one single time, so it could be difficult to develop further conversation. As for those who couldn't really give a specific

example of their particularly satisfying dining experience, we're saying that in terms of service quality, they couldn't describe much about their interactions with AGA Burger. To the sense of chin-chieh faces from the owners, they would consider it to be a satisfying experience. Therefore, they believed that AGA Burger is an innovative restaurant with nice service quality.

This is the challenge of sampling - and in this case finding old customers!

## Key Success & Failure Points

According to the results of SERVQUAL surveys and the critical incident studies, we think that the key success and failure points of AGA Burger are as follows.

### *Success Points*

#### Perception

Most of the customers are aware of

Chin-chieh and respect, and over 70% of them think that the owners of the restaurant care for them and always wear a smile on their faces. They make customers feel the sense of sincerity, and they also actively inquire customers' needs. The way they treat the customers allows the customers to feel comfortable, relaxed, and even a sense of home while dining there.

#### Foods

They insist on using fresh ingredients, so they always pick up what they can get from local traditional market. The most distinguishing feature of their burgers is that instead of putting lettuce, they choose to place boiled or cooked vegetables in it. The owners of the restaurant aim to have customers savor the original taste of foods. Therefore, they cook every dish in the simplest way, and they suggest not to add on any seasonings at their first taste.

#### Restaurant Décor

The internal decorations put an

industrial touch to the restaurant. Most of the decorations in the restaurant are second-handed or picked up from some deserted houses by the owners, for the sake of lowering the costs, as well as catching up with current trend of restaurant décor. In addition, with the warm, soft lighting in the restaurant, it fills the air with a relaxing and soothing atmosphere. As for the design of the open kitchen, it allows the customers to clearly see what's going on in the kitchen, and hopes that they could understand what causes a rather slow serving pace.

### Geographic Location

Located near the train station and a high school, it not only brings in tourists on the weekends, but also plenty of students coming after school on the weekdays.

### *Failure Points*

#### Small Dining Space

Since the restaurant has a limited dining space and very few tables, it's not able to

fit in too many customers even if they wanted to.

#### Slow Serving Pace

There are two main reasons for the restaurant to have a rather slow serving pace. For one, the small restaurant with an open kitchen literally limits the number of the staff. Hiring a large number of staff would be too crowded. Another reason is the lack of technological outflow.

They are struggling to maintain the quality of their dishes, and that's what stops them from getting another chef.

#### Dine-in Only

They do not accept take-out orders because they are trying to avoid anything that could possibly affect the quality of their dishes.

Based on the results of our survey, the fundamental factors that would probably lead them to a potential failure have nothing to do with their service quality. Instead, it's mainly because of

See points above - there are concerns with service. This part of the report needs to be more incisive. Slow pace is bad news for any restaurant. Who has not been to a restaurant and got fed up of waiting. Maybe you have a "favourite" restaurant but eventually get tired of having to wait.

Idealism does not make money!

the original setting of their restaurant, i.e. staff number, size of the restaurant, etc.

## Identified Delighting Factors

### *Service Quality*

According to the results of our survey, three out of the six service quality dimensions have been identified to be the factors that could mostly delight the customers of AGA Burger. The three dimensions are illustrated as follows.

#### **Chin-chieh**

In terms of chin-chieh, we've discovered that since the owners of AGA Burger always wear a smile on their faces whenever they face the customers, the customers see this as an important indicator to the performance of service quality. Compared with warm greetings and concerns and the extra attention to the special needs, the customers seem to

care more about the friendliness and how the owners appear to them.

#### **Respect**

When it comes to respect, we've found out in our research that the customers value whether or not the owners use courteous phrases, or whether or not they ask for permission before providing services. Though the courteous phrases might be common manners to some people, asking permissions would make customers feel that the owners do care about their feelings.

#### **Comfortableness**

As for comfortableness, we've come to a conclusion that customers do mind being asked about personal or irrelevant questions while dining in a restaurant. In addition, it's also important to keep a certain distance with customers as well as to avoid looking customers up-and-down. These are the aspects that AGA Burger restaurant has managed to do, and that's what makes the customers agree to their nice service quality.

## *Opportunities*

In the process of our research, we also identified some of the opportunities for AGA Burger to listen to customers' needs and to improve themselves.

During our interviews with the customers, many of them identified a few circumstances that would make them not feel as satisfying. However, these circumstances have less to do with their service quality; moreover, it's about the original setting of the restaurant. Such as the small dining space, slow serving pace, we believe that these minor complaints are for the owners to decide whether it's necessary to make changes for.

# Appendix

## SERVQUAL Survey Online Questionnaires

AGA Burger顧客服務品質研究調查問卷

\*必填

基本資料 - 性別 \*

女

男

年齡 \*

20歲以下

21-30歲

31-40歲

41-50歲

50歲以上

教育程度 \*

國中(含)以下

高中(職)

大學(專)

碩博士

居住地區 \*

彰化縣

其他

收入所得 \*

2萬元以下

2-3萬元

3-4萬元

4-5萬元

5萬元以上

# AGA Burger顧客服務品質研究調查問卷

\*必填

## 服務品質調查 - 知覺

請您就自身到本餐廳用餐經驗，根據直覺感受與實際情形填答。

### 親切度 \*

	非常不同意	不同意	普通	同意	非常同意
給予顧客關心及溫暖的問候	<input type="radio"/>				
和顏悅色面對顧客	<input type="radio"/>				
對於有特殊需求的顧客給予額外的關照 (如：老弱婦孺)	<input type="radio"/>				

### 尊重 \*

	非常不同意	不同意	普通	同意	非常同意
給予每位顧客平等、公平的服務	<input type="radio"/>				
禮貌用語 (請、謝謝、不好意思、對不起)	<input type="radio"/>				
上菜或提供服務時，先問候示意	<input type="radio"/>				
專心服務每位顧客	<input type="radio"/>				

### 專業度 \*

	非常不同意	不同意	普通	同意	非常同意
顧客有需要時，明確並詳細介紹餐點菜色，或清楚解說用餐方式	<input type="radio"/>				
正確的上餐順序 (如：開胃菜→主餐→飲料)	<input type="radio"/>				

店員穿著整潔	<input type="radio"/>				
--------	-----------------------	-----------------------	-----------------------	-----------------------	-----------------------

### 真誠度 \*

	非常不同意	不同意	普通	同意	非常同意
不會漏餐	<input type="radio"/>				
即時回應顧客需求	<input type="radio"/>				
遇到狀況時，不隨便責怪顧客，並主動承認錯誤	<input type="radio"/>				

### 積極主動 \*

	非常不同意	不同意	普通	同意	非常同意
注意到顧客四處張望時，主動接近並詢問顧客需求	<input type="radio"/>				
主動推薦餐廳特餐	<input type="radio"/>				
隨時注意顧客餐食狀況	<input type="radio"/>				

### 舒適感 \*

	非常不同意	不同意	普通	同意	非常同意
不會一直上下打量顧客	<input type="radio"/>				
與顧客維持彼此舒適的距離	<input type="radio"/>				
給予顧客不受干擾的用餐環境	<input type="radio"/>				
不會問及顧客私人或是與用餐不相關的問題	<input type="radio"/>				

返回

繼續

# AGA Burger顧客服務品質研究調查問卷

\*必填

## 服務品質調查 - 期望

請您就用餐經驗的實際感受，與您期望的服務品質程度作比較，並填答下列問題。

當顧客遇到問題時，一間好的餐廳店家會展現真誠的態度來解決問題 \*

	1	2	3	4	5	
非常不同意	<input type="radio"/>	非常同意				

若一間“世界級”的餐廳，其服務品質表現為5分；根據您的用餐經驗，您會給本餐廳打幾分？ \*

	1	2	3	4	5
親切度	<input type="radio"/>				
尊重	<input type="radio"/>				
專業度	<input type="radio"/>				
真誠度	<input type="radio"/>				
積極主動	<input type="radio"/>				
舒適感	<input type="radio"/>				

請試著與您過往認為極佳的餐廳做比較，您會給本餐廳打幾分？ \*

	1	2	3	4	5
親切度	<input type="radio"/>				
尊重	<input type="radio"/>				
專業度	<input type="radio"/>				
真誠度	<input type="radio"/>				

積極主動	<input type="radio"/>				
舒適感	<input type="radio"/>				

請根據您在本餐廳的用餐經驗，填選您對於本餐廳服務品質的最低忍受程度（說明：設想您對本餐廳的服務品質已有一定程度的期望，但若餐廳的服務表現不如您預期，您最低能夠接受最差的情況）\*

	1	2	3	4	5
親切感	<input type="radio"/>				
尊重	<input type="radio"/>				
專業度	<input type="radio"/>				
真誠度	<input type="radio"/>				
積極主動	<input type="radio"/>				
舒適感	<input type="radio"/>				

請根據您在本餐廳的用餐經驗，填選對於本餐廳您渴望受到的服務品質程度（與上題做比較。說明：設想您對本餐廳的服務品質已有一定程度的期望，就您本次或最近一次的用餐經驗來看，其服務品質是否有達到您渴望的程度）\*

	1	2	3	4	5
親切感	<input type="radio"/>				
尊重	<input type="radio"/>				
專業度	<input type="radio"/>				
真誠度	<input type="radio"/>				
積極主動	<input type="radio"/>				
舒適感	<input type="radio"/>				

作答完畢

請再次檢查有無漏答，感謝您的熱心協助！！

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