WHAT ARE THE KEY DIMENSIONS OF RESTAURANT SERVICE QUALITY? AN EMPIRICAL STUDY IN THE CITY RESTAURANT SETTINGS

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Abstract

As customers are more exposed to different types of restaurant settings, they developed a complex set of attributes for selecting a restaurant for their excellent dining experience. The first competition, customers' changing lifestyles and growing desires are features that shape restaurant marketplace. Thus, restaurant managers should be prepared to meet these challenges. One approach in gaining competitive advantages and ensuring sustainable business performance is to focus on service quality.

The main purpose of this study is to empirically investigate service quality in Croatian city restaurant settings. The main goals are to assess restaurant customers' expectations and perceptions and to identify main dimensions of perceived and expected city restaurant service quality.

The data were collected using self-administered questionnaire. The questionnaire was designed in accordance with Stevens et al. (1995) and Andaleeb and Conway's (2006) research. It contained seven aspects of restaurant service, namely tangibles, reliability, responsiveness, assurance, empathy, price and satisfaction. The empirical research was conducted in March and April of 2010. Questionnaires were distributed in 31 restaurant settings in city of Rijeka. In order to meet study goals, descriptive, bivariate (t-test) and multivariate (exploratory factor analysis and reliability analysis) statistical analyses were conducted.

The sample contained both domestic and international restaurant customers. The findings imply that for the majority of service attributes customers' expectations scores are higher than their perceptions scores. The study also identified five factors that best explained expected service quality and eight factors that best explained perceived service quality in the city restaurants.

Keywords Restaurant service quality, Service quality dimensions, SERVQUAL, DINESERV, Statistical analysis

INTRODUCTION

Developments in restaurant industry and a complex set of factors that customer use for selecting a restaurant have increased competitiveness among restaurant settings. Providing high quality services and maintaining customers' satisfaction are important factors leading to the business success. Thus, understanding restaurant customers and heaving in mind the importance of service attributes are important criterions for gaining competitive advantages in restaurant marketplace.

235

The focus point of this study are dimensions that best explain expected and perceived restaurant service quality. The paper provides a review of the literature regarding restaurant service quality dimensions and includes results of the empirical research carried out on the sample of city restaurants in Croatia.

1. LITERATURE REVIEW

The concept of service quality is usually defined on the basis of disconfirmation theory (Churchill and Surprenant 1982; Parasuraman et al. 1985). According to this theory, customers evaluate service quality by comparing their expectations regarding particular service with actually delivered one. Basically, service quality means meeting or exceeding customer's expectations (Parasuraman et al. 1985.).

When examining service quality, different dimensions (e.g. service aspects) should be considered. Lehtinen and Lehtinen (1982) believed that service quality comprises three dimensions, namely physical quality, corporate quality and interactive quality. Grönroos (1984) argued that service quality is made up of technical quality of the outcome, functional quality of the service encounter and corporate image. Parasuraman et al. (1988) suggested five dimensions, named as tangibles, reliability, responsiveness, assurance and empathy.

Parasuraman et al. (1988) revealed that reliability was the most important and empathy the least important dimension across wide array of service types. The importance of reliability dimension stated in different study contexts Zeithaml and Bitner (2000), Juwaheer and Ross (2003), as well as Jonsson Kvist and Klefsjö (2006). However, Chowdhary and Prakash (2007) concluded that tangibles are more important for services with more tangible aspects (e.g. restaurants), while reliability might be valued more with intangible nature of services. Further, services targeted at the close communication with the customer require more assurance and empathy as compared to others.

Apparently, there is no consensus regarding the number and the nature of service quality dimensions. However, authors agree that the concept is multidimensional and that importance of particular dimension varies across different service types.

The restaurant service quality is difficult to evaluate, because the assessments are made on both the service outcome and on the process of service delivery. Previous researches suggested that food quality, physical environment and service are the major components of overall restaurant service quality (Dulen 1999; Susskind and Chan 2000; Ryu and Han 2010). Among these attributes, food quality is the most important dimension of the restaurant experience (Sulek and Hensley 2004). Although there is no consensus on the individual attributes that constitute food quality, the researchers focus on presentation, healthy options, taste, freshness and temperature (Namkung and Jang 2008). Similarly, Wu and Liang (2009) stated that service encounter in restaurant settings consists of three main elements: environmental elements (e.g. design, music, lighting), employees (e.g. professional skills, reliability) and customers (e.g. interaction with other customers).

236

When examining key service dimensions in restaurant industry, authors report somewhat different results. Andaleeb and Conway (2006) reported a four-factor solution, interpreted as responsiveness, food quality, physical design and price. Kim et al. (2009) identified five factors, labeled as food quality, service quality, price and value, atmosphere and convenience. Marković et al. (2010) revealed seven dimensions for expected service quality (cleanliness and appearance of facilities and staff, assurance, individual attention, satisfaction and loyalty, basic demands, responsiveness and reliability) and two dimensions for perceived service quality (overall dining experience and restaurant ambience).

Considering the importance of examined dimensions in restaurant industry, Stevens et al. (1995) reported that reliability is the most important expectations dimension, followed by tangibles, assurance, responsiveness and empathy. Zopiatis and Pribic (2007) stated a similar order – reliability, responsiveness, tangibles, assurance and empathy. On the other hand, in the study conducted by Lee and Hing (1995), assurance and reliability were the two most important expectations dimensions of restaurant customers, while tangibles were the least important expectations dimension.

Regarding the importance of perceptions dimensions, Lee and Hing (1995) stated that in French restaurants the highest rated dimensions were assurance and reliability, while in Chinese restaurants the highest perceived dimensions were tangibles and reliability.

2. STUDY METHODOLOGY

2.1. Research questions, objectives and hypotheses

The main purpose of this study is to empirically investigate service quality in Croatian city restaurant settings. Thus, the study examines the level of perceptions and expectations regarding restaurant service and was conducted in two main phases. In the first phase, a qualitative review of previous research findings regarding dimensions of restaurant service quality was performed. These results are provided in literature review section. In the second phase, the quantitative approach was taken to answer the research questions.

Specifically, the study intended to answer the following research questions:
1. What is the level of customers' expectations regarding city restaurant service quality?
2. What is the level of customers' perceptions regarding city restaurant service quality?
3. What are the differences between perceived and expected service quality in Croatian city restaurants?
4. What are the key dimensions of service quality expectations in city restaurant settings?
5. What are the key dimensions of service quality perceptions in city restaurant settings?

Based on the defined research questions, the study aims to assess city restaurant customers' expectations and perceptions and to identify main dimensions of perceived and expected service quality in city restaurants.

In order to meet the study's objectives and answer research questions, following hypotheses were proposed:

H_1: Reliability is the most important expected service quality dimension in the city restaurant settings.

H_2: Reliability is the most important perceived service quality dimension in the city restaurant settings.

H_3: There is a significant difference between expected and perceived service quality in city restaurants.

2.2. Questionnaire design

A questionnaire survey was employed to collect the data. The instrument used for this study was on-site and self-administered questionnaire. It was designed in several steps. First, the SERVQUAL methodology was taken into consideration. Although SERVQUAL represents general measurement instrument for service industries, it should be adapted to the specific features of each service for which the research is conducted. Therefore, by reviewing previous studies in context of examining restaurant service quality, the questionnaire used in this study is based on Stevens et al. (1995) and Andaleeb and Conway's (2006) research.

Next, the restaurant service attributes were selected and the questionnaire was designed. The questionnaire consisted of three parts. First two parts examined respondents' expectations and perceptions of city restaurant service quality. The third part consisted of demographic questions.

Customers' expectations and perceptions of city restaurant service quality were measured on the basis of 35 restaurant attributes. The first 29 attributes were adapted from Stevens et al. (1995) study. These attributes represent five dimensions: tangibles, reliability, responsiveness, assurance and empathy. The remaining six attributes were selected from Andaleeb and Conway's (2006) research and represent two dimensions, namely, price and satisfaction (Apendix 1). The demographic questions included variables such as country of residence, age, gender, level of education, and frequency of visiting a particular restaurant.

A 7-point Likert-type scale was adopted to assess respondents' ratings of the service quality. Items addressing expectations and perceptions were rated from 1 = "strongly disagree" to 7 = "strongly agree".

The study instrument was prepared in the Croatian language and was additionally translated into the English, Italian and German language to capture both domestic and international restaurant customers.

2.3. Sampling procedure

The survey was carried out during March and April of 2010. The sample was taken from the restaurant customers in the city of Rijeka. To make the sample more representative it included different types of dining establishments, e.g. fine-dining restaurants, fast food restaurants, pizzerias and spaghetterias. Before the data collection started, restaurant managers were contacted for permission to take part in the study. Thus, the questionnaires were administered only in those settings which managers agreed to participate. Finally, the sample consisted of 31 restaurants located in city of Rijeka.

The restaurants' staff helped to distribute and collect the survey sheets from the participating customers. The participation was voluntary. Thus, the data were collected using convenience sampling approach. Questionnaires were distributed to the customers that were willing to participate in the research, after their dining experience (e.g. after they paid the bill).

A total of 515 questionnaires were distributed. Among the returned questionnaires, 250 were deemed complete and usable, representing response rate of 48.5 per cent.

2.4. Data analysis

The collected data were analyzed using statistical package SPSS for Windows 12.0. Data analysis included descriptive statistics, paired samples t-test, exploratory factor analysis and reliability analysis.

Descriptive statistics was used to examine demographic profiles of the respondents and to evaluate service quality expectations and perceptions of restaurant customers. At this stage, first two hypotheses were tested. The paired samples t-test was performed to determine the significance of differences between perceived and expected scores of service quality and to test third hypothesis. Exploratory factor analysis was employed to derive factors from restaurant service attributes for expectation and perception scale. This method was used to answer fourth and fifth research question. To test the reliability of the scales and to assess the inner consistency of each extracted factor, the reliability analysis was conducted.

This study adopted principal component analysis with varimax rotation as the method for identifying service quality dimensions in the city restaurants service. In order to adequately apply this technique, several conditions should be respected. First, Kaiser-Meyer-Olkin's measure (KMO) should be greater than 0.7, and is inadequate if it is less than 0.5 (Stewart 1981). Further, Bartlett's sphericity test should be significant (i.e. a significance value should be less than 0.05) (Leech et al. 2005). Finally, items with eigenvalues equal or greater than 1, factor loadings above 0.4, and factors, which contain at least three items, were retained (Hair et al. 2006).

To test the reliability, Cronbach's alpha coefficients were calculated. Coefficients higher than 0.6 were considered acceptable, indicating reasonable internal consistency and reliability (Hair et al. 2006).

3. STUDY RESULTS

After eliminating unusable responses among the completed questionnaires, 250 responses were coded for data analysis. The results are presented in following sections.

3.1. Respondents' characteristics

A demographic analysis is presented in Table 1.

Table 1: **Demographic characteristics of respondents (N=250)**

Items	Percentage	Items	Percentage
Gender		*Age*	
Male	53.4	16-25	23.6
Female	47.6	26-35	23.6
		36-45	17.6
Level of education		46-55	19.6
Primary school	0.0	56-65	11.2
Secondary school	48.8	66 and above	4.4
College and university	46.0		
MSc or PhD	5.2		
Country of residence		*Number of previous visits to the restaurant*	
Austria	3.6	Never	14.8
Croatia	65.6	Once	28.8
Italy	11.2	Twice or more	56.4
Germany	4.4		
Others	15.2		

Source: Authors

It can be seen that male respondents (53.4 per cent) slightly outnumbered female restaurant customers. In terms of age distribution, more than 47 per cent of the respondents were between 16 and 35 years old. In average, respondents were 39 years of age. A majority of the respondents (more than 65 per cent) were domestic visitors. The most of the restaurant customers in the sample had completed a secondary school and 46 per cent of the respondents reported they had college and university education. Lastly, the majority of the respondents visited the particular restaurant two or more times, indicating a degree of loyalty.

3.2. Differences between expected and perceived city restaurant service quality

Table 2 reports the results for the respondents' expectations and perceptions of city restaurant service quality, as well as significance of difference in the mean scores.

As noted, the lowest expectation item was "expensive food items" (mean=3.99). This implies that customers did not expect high prices. On the other hand, the highest expectations were regarding "clean, neat and appropriately dressed staff", "clean rest rooms" and "accurate bill" (mean=6.67). The overall mean score for service quality expectation items was 5.88. This score indicates rather high expectations of restaurant customers regarding the service quality.

The lowest perception item was "paying more than planned" (mean=3.44) which indicates that restaurant customers did not pay more than they planned to. Customers' highest perceptions were regarding "accurate bill" (mean=6.42). The overall mean score for service quality perceptions items was 5.86. This score indicates rather high perceptions of restaurant customers regarding service quality.

Table 2: **Comparison of restaurant customers' expectations and perceptions**

Attributes	Expectations			Perceptions			Gap	t-value
	Mean[a]	Rank	SD	Mean[b]	Rank	SD		
V-1	5.86	30	1.41	5.09	33	1.65	-0.77	**6.357**
V-2	6.17	21	1.07	5.79	28	1.20	-0.38	**4.211**
V-3	6.67	1	0.74	6.25	6	0.95	-0.42	**6.758**
V-4	6.23	17	1.14	6.18	9	1.06	-0.05	0.469
V-5	6.43	7	0.95	6.10	12	1.08	-0.33	**3.896**
V-6	6.21	18	1.08	5.89	25	1.25	-0.32	**3.258**
V-7	6.41	8	0.95	5.97	19	1.19	-0.44	**5.189**
V-8	6.67	2	0.71	5.97	20	1.25	-0.70	**8.054**
V-9	6.58	4	0.80	6.06	15	1.06	-0.52	**6.741**
V-10	6.28	15	1.08	5.58	30	1.47	-0.70	**6.627**
Mean TAN	*6.35*	*2*		*5.88*	*4*		*-0.47*	
V-11	6.15	23	1.13	6.00	17	1.04	-0.15	1.679
V-12	6.36	12	0.92	6.15	10	0.96	-0.21	**2.977**
V-13	6.45	6	0.92	6.20	8	0.79	-0.25	**3.863**
V-14	6.67	3	0.74	6.42	1	0.88	-0.25	**3.775**
V-15	6.50	5	0.86	6.36	4	0.86	-0.14	**2.227**
Mean REL	*6.43*	*1*		*6.23*	*2*		*-0.20*	
V-16	6.09	26	1.32	5.58	31	1.40	-0.51	**4.257**
V-17	6.28	16	1.03	6.08	14	0.99	-0.29	**2.113**
V-18	5.91	28	1.36	5.96	21	1.01	0.05	-0.579
Mean RES	*6.09*	*4*		*5.87*	*5*		*-0.22*	
V-19	6.18	20	1.15	5.95	22	1.02	-0.23	**2.892**
V-20	6.39	10	0.89	6.10	13	0.87	-0.29	**3.981**
V-21	6.33	13	0.97	6.06	16	1.08	-0.27	**3.201**
V-22	6.19	19	1.16	5.88	26	1.24	-0.31	**3.421**
V-23	6.41	9	0.92	6.15	11	0.88	-0.26	**3.322**

Attributes	Expectations			Perceptions			Gap	t-value
	Mean[a]	Rank	SD	Mean[b]	Rank	SD		
V-24	6.37	11	0.95	5.94	23	0.96	-0.43	**5.350**
Mean ASS	*6.31*	*3*		*6.01*	*3*		*-0.30*	
V-25	5.94	27	1.36	5.91	24	1.09	-0.03	0.238
V-26	5.78	32	1.44	5.81	27	1.16	0.03	-0.296
V-27	5.31	33	1.83	5.54	32	1.34	0.23	-1.920
V-28	5.81	31	1.57	5.73	29	1.18	-0.08	0.842
V-29	6.30	14	1.12	6.00	18	1.14	-0.30	**3.267**
Mean EMP	*5.83*	*6*		*5.79*	*6*		*-0.04*	
V-30	3.99	35	2.04	3.59	34	2.08	-0.40	**2.707**
V-31	4.12	34	2.08	3.44	35	2.17	-0.68	**4.371**
Mean PRI	*4.05*	*7*		*3.52*	*7*		*-0.53*	
V-32	5.91	29	1.17	6.23	7	0.92	0.32	-3.721
V-33	6.14	25	0.99	6.36	5	0.89	0.22	**-2.947**
V-34	6.17	22	0.99	6.40	2	0.82	0.23	**-3.285**
V-35	6.15	24	1.06	6.39	3	0.76	0.24	**-3.413**
Mean SAT	*6.09*	*5*		*6.35*	*1*		*0.26*	
Overall mean (35 attributes)	*5.88*			*5.86*			*-0.02*	

Note: [a] Expectations mean ranges from 1 to 7; [b] Perceptions mean ranges from 1 to 7; SD – standard deviation; t-values in boldface are significant at 0,05; TAN – Tangibles; REL – Reliability; RES – Responsiveness; ASS – Assurance; EMP – Empathy; PRI – Price; SAT – Satisfaction.
$p < 0.05$

Source: Authors

Table 2 shows the dimensions' mean scores, as well. The most important expectations dimension appears to be reliability, followed by tangibles, assurance, responsiveness, satisfaction, empathy and price. On the other hand, the highest mean score for perceptions dimensions was given to dimension satisfaction, followed by reliability, assurance, tangibles, responsiveness, empathy and price.

The analysis of difference between expectation and perception scores for each item indicates majority of negative gaps. The overall gap is also negative (-0.02), implying that for most of the restaurant attributes customers' expectations are higher than their perceptions of delivered service.

However, it should be noted that there are eight positive gaps between perceptions and expectations of restaurant service quality. These gaps are identified in following items: V18 (extra effort for handling special requests), V26 (special feeling), V27 (anticipation of customers' individual needs and wants), V32 (overall satisfaction with dining experience), V33 (returning to the restaurant), V34 (recommending the restaurant to others) and V35 (excellent quality of service). These restaurant attributes were assessed above customers' expectations.

Further, gaps between expected and perceived scores for all items are examined. The results of paired samples t-test (Table 2) indicate that in 27 out of 35 restaurant attributes significant differences were found between customers' perceptions and their expectations of service quality. The eight restaurant attributes that showed no difference included "restaurant's decor typical to its image and price range", "service at the promised time", "extra effort for handling special requests", "employees provide individual attention", "special feeling", "anticipation of customers' individual needs and wants", "sympathetic and reassuring employees" and "overall satisfaction with dining experience".

3.3. City restaurant service quality dimensions

An exploratory factor analysis was conducted to identify the main dimensions of restaurant service quality, using the principal component method with varimax rotation. The analysis was performed on expectation and perception scale.

First, the results for expectations scale are presented. KMO value is high and scores 0.903, indicating sufficient items for each extracted factor. Bartlett's Test is significant (χ^2=4934.355, df=595, Sig.=0.000) meaning that there are strong correlations between the items in each factor. Hence, it is justified to conduct exploratory factor analysis.

Table 3: **Factor and reliability analyses of city restaurant customers' expectations (N=250)**

Items	Factors						
(n = 35)	F1	F2	F3	F4	F5	F6	F7
V-19	0.756						
V-18	0.743						
V-26	0.725						
V-22	0.652						
V-28	0.617						
V-27	0.599						
V-21	0.480						
V-12	0.451						
V-8		0.781					
V-15		0.645					
V-9		0.624					
V-13		0.587					
V-7		0.567					
V-14		0.548					
V-20		0.513					
V-17		0.499					
V-3			0.702				
V-5			0.682				
V-6			0.537				
V-2			0.514				
V-10			0.480				
V-11			0.417				

Items	Factors						
(n = 35)	F1	F2	F3	F4	F5	F6	F7
V-4			0.413				
V-33				0.882			
V-34				0.839			
V-35				0.717			
V-32				0.644			
V-24					0.661		
V-25					0.650		
V-23					0.479		
V-29					0.478		
V-30						0.921	
V-31						0.911	
V-16							0.759
V-1							0.628
Eigenvalue *(overall=22.343)*	4.713	4.236	3.928	3.016	2.429	2.099	1.922
% of Variance *(overall=63.837)*	13.466	12.104	11.222	8.617	6.941	5.996	5.491
Cronbach alpha *(overall=0.939)*	0.870	0.861	0.837	0.844	0.709	-	-
Number of items	8	8	7	4	4	2	2

Source: Authors

The analysis for expectations scale extracted seven factors that explained 63.8 per cent of the total variance in the data. Most of the factor loadings were greater than 0.6, meaning that correlation of the items with the factors on which they were loaded is reasonably high. Moreover, Cronbach's alpha coefficients of the extracted factors varied between 0.709 and 0.870. These values suggest good internal consistency of the factors. Cronbach's alpha value for the overall expectations scale is 0.939 and indicates its high reliability.

However, two factors (F6 and F7) contain only 2 items and cannot be considered as factors. Thus, the final solution retained five factors that represent main dimensions of expected service quality in city restaurants. After examining the item descriptions, the remaining five factors for expectations scale were interpreted as follows:

▪ *Factor 1, "assurance and empathy",* indicates employees' readiness to answer questions, to make extra effort for handling special requests, as well as the safety of the customers and providing personal attention.
▪ *Factor 2, "cleanliness and reliability",* gathered items reflecting clean facilities, accurate billing, as well as consistent, prompt and error-free service.
▪ *Factor 3, "appearance of facilities and staff",* included items referring to comfortable and attractive dining area, easily readable and attractive menu, appealing employees.
▪ *Factor 4, "satisfaction and loyalty",* refers to customers' intention to return to the restaurant and to recommend it to others, as well as to customers' overall satisfaction with the dining experience.

▪ *Factor 5, "staff quality",* indicates competent employees who are supported by the restaurant and have customers' best interests at heart.

Next, the results of factor and reliability analyses of customers' perceptions are provided. KMO value is high and scores 0.898, indicating sufficient items for each extracted factor. Bartlett's Test is significant (χ^2=4734.884, df=595, Sig.=0.000) meaning that there are strong correlations between the items in each factor. It is justified to conduct exploratory factor analysis.

The analysis for perceptions scale extracted nine factors that explained 69.1 per cent of the total variance in the data. Factor loadings indicate that correlation of the items with the factors on which they were loaded is reasonably high. Moreover, Cronbach's alpha coefficients of the extracted factors varied between 0.634 and 0.874 and imply good internal consistency of the factors. Cronbach's alpha value for the overall perceptions scale is 0.937 and indicates its high reliability.

Table 4: **Factor and reliability analyses of city restaurant customers' perceptions (N=250)**

Items (n=35)	Factors								
	F1	F2	F3	F4	F5	F6	F7	F8	F9
V-33	0.828								
V-34	0.761								
V-32	0.749								
V-35	0.699								
V-4		0.771							
V-6		0.719							
V-5		0.706							
V-3		0.671							
V-10		0.497							
V-27			0.851						
V-26			0.716						
V-28			0.703						
V-25			0.532						
V-14				0.654					
V-19				0.651					
V-15				0.630					
V-22				0.562					
V-21				0.550					
V-20				0.436					
V-9					0.722				
V-8					0.720				
V-7					0.660				
V-2					0.569				
V-13						0.705			
V-12						0.681			
V-11						0.569			
V-29						0.468			

Items	Factors								
(n=35)	F1	F2	F3	F4	F5	F6	F7	F8	F9
V-16							0.733		
V-17							0.726		
V-18							0.463		
V-31								0.874	
V-30								0.865	
V-24									0.681
V-23									0.568
V-1									0.450
Eigenvalue *(overall=24.176)*	3.396	3.355	2.980	2.956	2.925	2.330	2.107	2.096	2.029
% of Variance *(overall=69.071)*	9.703	9.585	8.514	8.447	8.358	6.658	6.021	5.989	5.796
Cronbach alpha *(overall=0.937)*	0.874	0.830	0.821	0.811	0.828	0.763	0.657	-	0.634
Number of items	4	5	4	6	4	4	3	2	3

Source: Authors

One factor (F8) contains only 2 items and cannot be considered as factor. Thus, the final solution retained eight factors that represent main dimensions of perceived service quality in city restaurants. After examining the item descriptions, the remaining eight factors for perceptions scale were interpreted as follows:

- *Factor 1, "satisfaction and loyalty",* refers to customers' overall satisfaction with the dining experience, their intention to return to the restaurant and to recommend it to others, as well as to excellent service quality.
- *Factor 2, "appearance of staff and restaurant interior*", included items referring to appealing employees, appropriate décor, easily readable and attractive menu.
- *Factor 3, "individual attention",* involved personalized treatment of customers.
- *Factor 4, "confidence",* indicates employees' readiness to answer questions and provide information, as well as the safety of the customers, accurate billing and providing error-free service.
- *Factor 5, "appearance of dining area and rest rooms",* refers to cleanliness, comfort and attractiveness.
- *Factor 6, "reliable service",* gathered items reflecting quick correction of wrong service, dependable and consistent restaurant, providing service at the promised time, as well as having customers' best interests at heart.
- *Factor 7, "prompt service",* refers to timeliness of provided service.
- *Factor 9, "staff quality and attractive exteriors",* indicates competent employees who are supported by the restaurant, as well as attractive restaurant exteriors.

CONCLUSION

This study investigated expectations and perceptions of customers in city restaurants to determine main service quality dimensions in dining industry. Through statistical analysis, expectations and perceptions levels, as well as differences between these scores were identified. Dimensions of customers' expectations and perceptions regarding city restaurant service quality were also empirically examined. Therefore, all research questions were answered, objectives achieved and hypotheses tested.

The results of descriptive analysis suggested that the most important expectations items were "clean, neat and appropriately dressed staff", "clean rest rooms" and "accurate bill", which fall under the dimensions tangibles and reliability. On the basis of this findings, hypothesis H_1 can be accepted, because item "accurate bill" is part of the reliability dimension.

Further, the most important perceptions item was "accurate bill" from the reliability dimension, thus hypothesis H_2 is also accepted.

The findings of t-test analysis show significant differences between expectations and perceptions of customers for the majority of the restaurant attributes, confirming the hypothesis H_3. Most of the gaps were negative, including the overall gap (-0.02), implying that the overall restaurant service quality fell below customers' expectations and that there is room for service quality improvement in the city restaurant industry in Croatia.

The exploratory factor analysis for expectations scale extracted following five factors: "assurance and empathy", "cleanliness and reliability", "appearance of facilities and staff", "satisfaction and loyalty" and "staff quality". The exploratory factor analysis for perceptions scale revealed that the main dimensions of perceived service quality in city restaurant settings are "satisfaction and loyalty", "appearance of staff and restaurant interior", "individual attention", "confidence", "appearance of dining area and rest rooms", "reliable service", "prompt service" and "staff quality and attractive exteriors".

The study results confirm that service quality evaluations comprise both tangible and intangible aspects of provided service and that restaurant managers should be more committed to performance improvement. They should consider clean and attractive restaurant facilities, timeliness of service, employees' empathy and competence, personalized treatment of customers, accurate billing, error-free service, and customer satisfaction when trying to understand customers' expectations. What is more, city restaurant customers assess quality of service based on the level of satisfaction with physical environment (internal and external), and process of service delivery.

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Appendix 1: Restaurant attributes with original dimensions included in this study

Original dimensions	Restaurant attributes
TANGIBLES	V1 - Visually attractive parking areas and building exteriors V2 - Visually attractive dining area V3 - Clean, neat and appropriately dressed staff V4 - Restaurant's decor typical to its image and price range V5 - Easily readable menu V6 - Visually attractive menu V7 - Comfortable dining area V8 - Clean rest rooms V9 - Clean dining areas V10 - Comfortable seats in the dining room
RELIABLITY	V11 - Service at the promised time V12 - Quick correction of wrong service V13 - Dependable and consistent restaurant V14 - Accurate bill V15 - Error-free served order (food)
RESPONSIVENESS	V16 - Maintaining speed and quality of service during busy times V17 - Provision of prompt service V18 - Extra effort for handling special requests
ASSURANCE	V19 - Employees can answer questions completely V20 - Comfortable and confident feeling V21 – Staff provide information about menu items, their ingredients, and method of preparation V22 - Feeling safe V23 - Well-trained, competent and experienced staff V24 - Restaurant supports the employees
EMPATHY	V25 - Employees provide individual attention V26 - Special feeling V27 - Anticipation of customers' individual needs and wants V28 - Sympathetic and reassuring employees V29 - Customers' best interests at heart
PRICE	V30 - Expensive food items V31 - Paying more than planned
SATISFACTION	V32 - Overall satisfaction with dining experience V33 - Returning to the restaurant V34 - Recommending the restaurant to others V35 - Excellent quality of service

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