

Study of Customer Satisfaction: A Case of an Institutional Restaurant

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Abstract

This study examines the operation of a micro-restaurant business serving institutional customers, especially students and staff. A key part of the restaurant's business model is providing food that is quick to prepare—ready-made and fast-cooking—and catering to specific dietary needs. Micro-entities like this are often overlooked in general management research and present their own unique challenges and opportunities. This study aims to fill that gap by offering useful insights for small-scale operators and regulators to better manage these types of businesses. The findings could serve as a foundation for future research, potentially using tools like the Keno model or factor analysis, to better understand customer needs and what supports smooth operations in similar small food services.

Key words

Customer Empowerment- CE, Customer satisfaction-CS, Customer retention-CR, firm performance-FM, Innovation, quick service restaurant-QSR, customer delight-CD

Abbreviations

SOP- Standard Operating procedure, UPI- Unified payment Interface

Introduction

A restaurant is considered a good option for business. It is believed that the food industry offers good margins. It is also a need for everyone. A good restaurant generates regular income 24/7/365. Entrepreneurs also share that margins tend to decrease over time in the restaurant business. Since there are only one or a few options in this segment, it is necessary to focus on customer satisfaction.

The present paper states that customers seek value in products and services in the current competitive business environment. As a result of the study, it was found that collaborative consumption, the sharing economy, family values, and community development are positively correlated with—and consequently impact—sustainable development (Puspa et al, 2023).

This paper mainly examines the motivations of both domestic and international tourists for visiting the Lotus Temple. The findings indicate that travel motivations differ between foreign and domestic travelers. Additionally, socio-cultural factors impact tourists' overall satisfaction with their trip (Shachi et al, 2010).

This paper examines tourists' environmental sensitivity. It also highlights that the green pull motive at the macro level is linked to overall tourist satisfaction. The findings show that green pull motives at the macro level are negatively associated with overall tourist satisfaction. In contrast, green pull motives at the micro level are positively related to overall tourist satisfaction.

Additionally, the results indicate that the relationship between green pull motives and overall tourist satisfaction varies across different generational cohorts (Sanja 2021).

The study validates the conceptual model, which demonstrates the linkage between the variables of the study.

Effect of Effective Destination Image on Revisit Intentions. This study supports the accuracy and effectiveness of the proposed conceptual model by establishing a significant relationship between the variables involved. Accordingly, it was found that positive memorable tourism experiences significantly influence the development of attachment and satisfaction with the tourist site, leading to a strong CBDDE (Ayush et al, 2023).

Tourist expectation and motivation influence tour quality. It makes original contributions to the tourism field by examining how tour quality affects visitor satisfaction. It includes aspects such as tourist expectations and reasons for visiting in the analysis, offering insights into creating tailored tour experiences that meet tourists' demands (Mudang et al, 2024).

Customer satisfaction strategy

Customer satisfaction can be improved by focusing on four key areas: people (training, SoPs), machinery, methods, and materials. Achieving higher customer satisfaction fosters customer intimacy, which means building strong relationships with customers (Judith, 2006).

Definition of customer satisfaction

Customer satisfaction is the degree to which a restaurant's service meets or exceeds a customer's expectations. It's a measure of how happy and fulfilled customers are with their interactions with a restaurant.

Objectives

1. To gather information about 'customer satisfaction'.
2. To get equipment's maintenance status as it is the basis of customer satisfaction.
3. To find out the most prominent area of dissatisfaction or satisfaction, if any.

Scope of the study

1. It's within institutional customer satisfaction.
2. Having a high performance in the institutional restaurant business.
3. Attracting and relating to customers with an institutional restaurant.
4. Adding the benefits of people's satisfaction.

Need for study

1. The satisfaction of customers should be a top priority for all organizations.
2. The satisfaction of customers is crucial to the growth of any business.
3. The satisfaction of customers is one of the ways companies establish themselves and earn their reputation.

Limitations of the study

1. It is possible that some of the good and reliable customers have been overlooked. The study is based on customer feedback and interviews, so it may take some time for certain changes to take effect.
2. The survey procedure was insufficiently reliable and valid due to the limited sample size of 120 respondents.
3. Research study results are not universally applicable to the entire population.
4. There is a possibility that data can be biased based on the respondents' perspective.

Research methodology

Customer satisfaction measures how pleased customers are with a company's goods and services, and overall shopping experience. It is an important indication of business health, impacting client loyalty, repeat purchases, and positive word of mouth. Measuring customer satisfaction allows firms to find areas for improvement and learn what connects with their customers.

Case Study

Rakesh Restaurant is the popular restaurant among students. Business has been declining in recent months. A cross-functional team was formed to address low customer satisfaction at the institute, based on feedback from a few consumers. They (Mr. Rakesh) constructed a survey form and started filling it out. The feedback was about 3 on a scale of 5. The project was on a scale of 5. The project team was given the task to improve customer satisfaction score (CSAT) score from 3 to 4 in the next 03 months.

Key features

1. Items require ‘less time’ are served like: Maggi, Paratha, Poha, Samosa, and Sandwich.
2. There is less scope of new recipe development.
3. UPI payments are majorly done. Out of 80 about 70 are UPI payments.
4. Special needs are fulfilled like: *Dalia*, *Dal ka pani*, hot water etc.

Service extension as and when required. Served up to 500 people at the time of requirement.

Stage 1: To identify the problem.

The most crucial stage is to identify the problem. A proper problem statement helps to arrive at the most appropriate solution.

Issue	Rakesh’s restaurant is a popular restaurant among students & staff. It has been observed that there is a marginal decline in the business over the last few months.
Research statement	Survey score consolidated for 4 weeks shows how a low CSAT of 3 on a score of 5
Goal	To improve the CSAT ranking/ score
Scope of the research statement	Food & snacks (e.g., Maggi, Sandwiches, etc.) are served.
Team	Process owner- Mr. Rakesh Sharma; Team members- Head waiter and head cook
Important/ key dates	Identify the problem: In April 2025 Identify the root causes of the problem, 15 April 2025 Identify the solution to the problem 1 May 2025 Implement the solutions and control the result 15 May 2025

Stage 2: Identifying the major cause of the research statement

Material plays a major role in the customer’s satisfaction.

Material		
Raw material	Raw material availability	Taste of food

Method makes the restaurant successful in many cases, like: few very reputed chains.

Method		Standard method
Vehicle parking	Method of cooking	(process

It is people who demarcate the difference. We always appreciate smiling staff.

People		
Number of waiters during peek hour	Service time	Behaviour

Machines make the process perfect.

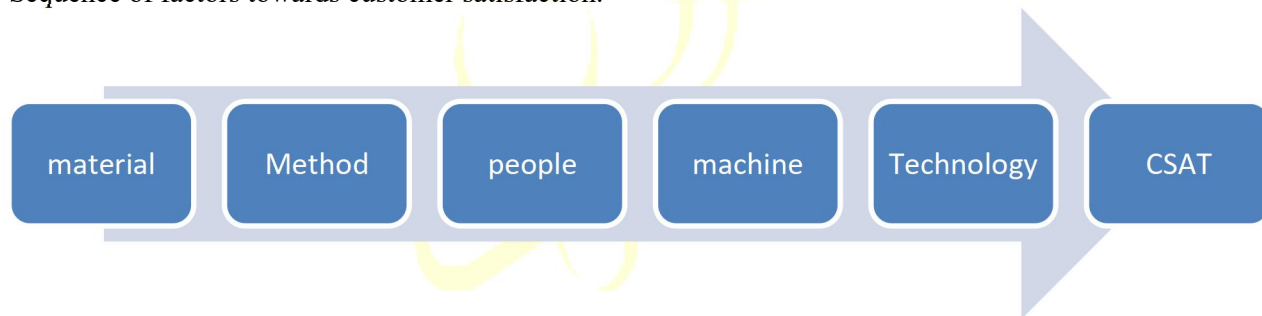
Machines						
Old cofee spary	Old fridge	Old oven	Fly catcher	R.O.	cooking gas/ induction	Water cooler

Technology

Technology plays a crucial role in the success or failure of any business. Presently, business is a very small entity, so UPI & mobile are sufficient.

Technology		
UPI	Mobile	App

Sequence of factors towards customer satisfaction.



Major customer issues (reported)

Few reported variables are taken here, other are covered in the questionnaire.

S. No.	Issues	Percentage
1	Food/ snacks not served on time	02 out of 120

2	Food/ snacks not ready	04 out of 120
3	Less parking area	0%
4	High price	Moderate
5	Less options in menu	No
6	Cold food served	No
7	Poor seating	No
8	Other	Not applicable

Stage 3: Why's: Identifying a proposed solution to key causes

Cause	Why 1	Why 2	Why 3	Why 4	Why 5	Proposed Solution
Food/ snack preparation takes more time	Oven/ gas takes more time for baked items	Old oven/ gas burner				Old machines (like: gas burner, fly catcher etc.) are to be replaced
	Cook is new	Old cook usually leaves on the short notice.				1. Prepare a backup cook and include 01 month notice in the job offer. 2. Create standard operating procedure (benchmarking) for the most sold/ popular dishes.
Food/ snack is not tasty	New cook					
	New recipe	Cook wanted to try new recipe	Some change was required			Try new recipe once internally (with the selected people only) before doing that with the customer.
	New raw material is used	Wanted to change vendor/ supplier	Same vendor for long time			Change should be internally first.

Reference: Mr. Mohit Sharma, Six Sigma, Author and LSS Expert,
<https://www.youtube.com/watch?v=AJ5F78ubs0o>

Stage 4: Expediting solution and control the result.

What-when-where-who and how statement

What	When	where	who	How	Frequency of check	Checked by
Create SoPs of the important recipes	22 Apr	create it on the shared drive of the computer	Mr. Rakesh	Sit with the cook and note down the details and steps	26 Apr	Mr. Rakesh & invitee from IHM
Purchase new machines- Oven and induction	22 Apr	From market	Mr. Rakesh	Ask for quotation and bid	26 Apr	Mr. Rakesh & administration

Prepare a backup cook	1 may	In the kitchen	cook	As per the plan outlines	15 may	Mr. Rakesh
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They created a questionnaire. Lean problem-solving approach is used in this problem. Why method to find out the probable solution. Standardization principle of lean.

The Grinding Machine has not improved after overhauling

A coffee machine was produced 20 defective articles in a batch of 400. After overhauling it produced 10 defectives in a batch of 300. Has the machine improved?

$$P1 = 20/400 = .050$$

$$P2 = 10/300 = 0.033$$

The difference is less than 1.96 S.E. (at 5% level of significance), our hypothesis is true. The machine has not improved after overhauling.

Questionnaire Data

Total responses: 120 (80 students + 40 staff)

	Material/ ingredients	1 VG (+2)	2G (+1)	3NGN B (00)	4B (- 1)	5VB (-2)	Tot al	mean	Meanin g
1	Raw material quality	--	99	18	03	--	120	0.8	Towards good
2	Raw material availability	--	98	19	03	--	120	0.791	Good
3	Food is not tasty	--	101	15	03	--	--	0.81	Good
	Method/ Process	1SA	2A	3NAN DA	4D A	5SD A			
1	Long cooking time	--	03	18	99	--	120	-0.8	Less cooking time
2	No standard method	--	02	20	98	--	120	-0.8	Standard method
3	Vehicle parking	--	--	--	01	119	120	-0.991	No parking problem
	People/ manpower								
1	Less waiter	--	03	18	99	--	120	-0.8	More waiter
2	More service time	--	03	18	99	--	120	-0.8	Less service time
3	Behavior problem	--	02	20	98	--	120	-0.8	Good behavior
	Machine(s)								
1	Oven not working	--	03	18	99	--	120	-0.8	Working
2	Refrigerator & deep fridge not working	--	02	20	98	--	120	-0.8	Working
3	Fly catcher working	02	38	00	00	80	120	-0.983	Not working

Strengths, Opportunities, Weaknesses and Threats (SWOT)

Strength	Opportunity
- Known customers - Less wastage	- Institutional support - Try new fast-moving dishes
Weakness	Threats
- Less future scope of revenue escalation - Low R&D support - No scope for new recipe	- Dependent on admissions - Cannot invest money on interior

A few images from the actual site



Findings

1. Raw material used by the restaurant is good.
2. Raw material is available.
3. Food is tasty.
4. Less cooking time.
5. The standard method is adopted.
6. There is sufficient vehicle parking space.
7. Waiters are in sufficient number.
8. Less service time.
9. There is good behavior of service staff.

10. Oven is working.
11. Refrigerator and deep fridge are working.
12. Fly catcher is working.
13. Grinding machine is to be replaced.

The findings suggest that the restaurant is built on quality inputs and service efficiencies.

Most of the operational aspects are doing really good at:

Supply Chain & Quality Control: The use of good raw materials that are readily available ensures consistent product quality. The resulting food is tasty, which is a key driver of customer satisfaction.

Operational Efficiency: The restaurant excels in speed and process. The food requires less cooking time, and a standardized method is employed, leading to a consistently short service time. The presence of sufficient waiters further enhances the speed and quality of service.

Customer Experience & Infrastructure: The staff's good behavior and the ample vehicle parking space contribute to a positive overall experience for customers. Essential kitchen equipment like the oven, refrigerator, and deep freezer is all in working order, and the presence of a working fly catcher indicates a commitment to hygiene.

While there are many strengths, one glaring problem is the grinding machine that needs to be replaced. This is an important finding as it indicates that the machine gets into a big bottleneck in the operation, where if a machine is not operating properly, then the whole process is compromised, irrespective of whether other machines, inputs, or even workers are very efficient.

Conclusion

Institutional Restaurant is working fine. The machine has not improved after overhauling (hypothesis). The machine used by the restaurant needs replacement. Food quality is good. Pricing is moderate. Customer relationship is satisfactory. The material used is good. People are friendly. Further, training may be given to people to further improve service quality.

Future scope of study

Net Promoter Score (NPS) can be further used to enhance the level of study. Customer Loyalty and Retention may also be taken. Factor Analysis may be used further to zero in on a particular factor; but, since set up is very small, it is not feasible at present. As far as technology is concerned, new technologies may be added with the expansion of business.

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