Customer Satisfaction towards Casual and Fine Dining Restaurants in Seminyak, Bali

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**Abstract**

Customer satisfaction plays a vital role for the success of restaurant business, whether it is casual or fine dining restaurant. The objectives of this research were investigating customer satisfaction and the performances of restaurant industry in Seminyak area, Kuta tourist resort. Second, this research aimed to investigate the difference variables that affect customer satisfaction between casual and fine dining restaurant. 36 performances and 4 satisfaction variables were observed in this research.

The findings of this research were: first, there were 27 variables classified as good and 9 variables were as very good performance, meanwhile all of satisfaction variables were classified as good performance. Furthermore, discriminant Analisys results shows that there were 4 variables as distinguishing variables consist of *consistent standard*, *quite atmosphere*, *restaurant brand name/fame*, *location*. 5 variables (*speed of service*, *service style*, *professional* *staff*, *appearance of the staff*, *lighting appropriate*, dan *background* *music*) tend to be similarity variables that influenced customer satisfaction between casual and fine dining restaurant in the resort.

Keywords: Customer satisfaction, casual and fine dining restaurant.

1. **Introduction**

Customer satisfaction is an important topic for both researchers and managers, because a high level of customer satisfaction leads to an increase in repeat patronage among current customers and aids customer recruitment by enhancing a business market reputation. The ability to satisfy customers is vital for a number of reason. Customer satisfaction is defined here in oliver’s (1997) terms: that is the consumer fulfillment response. It is a judgement that a product or service feature, or the product or service itself, provide a pleasurable level of consumption-related fulfillment. In other words, it is the overall level of contentment with a service/product experience. Successfully being able to judge customers’ satisfaction levels to apply that knowledge is critical starting points to establishing and maintaining long-term customer retention and long-term competitiveness (Henning-Thurau & Klee, 1997). Given the vital role of customer satisfaction, one should not be surprised that a great deal of research has been devoted to investigate the process by which customers form judgements about a service experience.

Customers may view a restaurant product as a quick snack, a night out, a celebration, an indulgent extravagance or an absolute necessity. Cousins, et all, (2002) classified five elements to consider by a restaurant operator, as factor ranking for different meal experiences, such as: atmosphere, food and drink, service, price, and cleanliness & hygiene. Food and beverage operators usually indentify service as different service methods, such as silver service, french service, buffet service, cafeteria service, or plate service, from which can be selected the most appropriate service method to meet the demands of their customers: quick service when the customer is in a hurry, slower service for an intimate dinner, and stylish service for customers who want to be entertained, are examples of service methods meeting demand (Cousins, et all, 2002). The intended core, tangible and augmented concepts of the product, considered in the form of benefit to consumer will guide an operator when ranking the meal experience factors in order of priority to consumer. Higher income customers may stick to fine dining because they carry images or meanings that provide social value of them. Fine dining offers elegant atmosphere, elaborate service, various selected menus, cocktails and wines, but higher selling price. In contrast, lower income customer might be more appropriate to explore the price first, then food and drink, cleanliness, service, and atmosphere as the last consideration.

Bali Island (covering an area of around 5.636,66 km2) is one of the Republic of Indonesia province that depends largely its provincial income from tourism. Its tourism industry has been good during last five years. To give a better insight on Bali’s tourism growth, the number of direct foreign arrivals from 2011-2014 is presented in Table 1 and top ten direct foreign arrivals in 2105 is presented in Table 2 underneath.

**Table 1**

**Bali’s Main Market Tourist Periods of 2011-2014**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Country  Year | **Australian** | | **China** | | **Japan** | | **Malaysian** | |
| **Total** | **%** | **Total** | **%** | **Total** | **%** | **Total** | **%** |
| **2011**  **2012**  **2013**  **2014** | 790.965  823.821  826.385  991.923 | 28.69  28.49  25.25  26.33 | 236.868  310.904  387.533  586.300 | 8.59  10.75  11.82  15.57 | 183.284  191.836  208.115  217.402 | 6.65  6.63  6.35  5.77 | 169.719  179.947  199.232  225.572 | 6.16  6.22  6.08  5.99 |

Bali Tourism Dept. 2015

Though direct tourist arrivals to Bali kept on increasing during years 2011 - 2014, its main markets are Australian, China, Malaysian, and Japanese.

**Table 2**

**Bali’s Top Ten Market Tourist Periods of 2014-2015**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Nationality | Rank | 2014 | Share (%) | 2015 | Rank | Growth (%) | Share (%) |
| Australian  China  Japan  Malaysian  British  South Korean  Singaporean  American  French  Taiwan | 1  2  4  3  8  6  5  10  7  9 | 991.923  586.300  217.402  225.572  127.040  146.088  179.719  111.640  128.350  114.504 | 26,33  15.57  5.77  5.99  3.37  3.88  4.77  2.96  3.41  3.04 | 966.869  688.469  228.185  190.381  167.628  152.866  146.660  133.763  131.451  124.593 | 1  2  3  4  5  6  7  8  9  10 | -2.53  17.43  4.96  -15.60  31.95  4.64  -18.39  19.82  2.42  8.81 | 24.16  17.20  5.70  4.76  4.19  3.82  3.66  3.34  3.28  3.11 |

Bali Tourism Dept. 2016

Chinese, British and American tourist show the significant growth of Bali’s top ten tourist market in 2015 which more than 15 % of growth prior to 2014.

Seminyak area, nearby Kuta tourist resort is one of the most popular area for dining experience and party destination in Bali. Hundreds restaurants, majority casual type restaurants, offers various different products and services to the visitors who visit this area. Many fine dinings or luxury restaurants which offer exclusive dining experiences are also here, such as Mozaic Beach Club, Metis Lounge, Potato Head Beach Club, Sarong, Ku De Ta, La Lucciola and Mama San. Based on The Lux Traveller.com (food & wine), all these fine dinings are ranked as top 10 (ten) best restaurants in Bali for 2015.

Knowing what casual and fine dining customers consider when making selection decision and how the satisfaction judgements of each segment evolve during a given service experience, is the ultimate key to accees new or growing markets and to maintain repeat business. Oh and Jeong (1996) reported that segment-focused satisfaction analyses provided a clearer understanding of the market and a robust prediction of customer satisfaction. The purpose of this study is to investigate the factors or determinants which are making significant impact on customer satisfaction and the performances of casual and fine dining restaurant in Seminyak area.

1. **Research Questions**

Based on the above discussion on customer satisfaction towards Casual and Fine Dining Restaurants in Seminyak, Bali : the following research questionsare posed:

* How was the performance of restaurant’s products or services in Seminyak, Bali?
* How was the customer’s satisfaction level towards restaurant industry’s performances in Seminyak, Bali?
* What were the difference variables that affect customer satisfaction towards casual and fine dining restaurant in Seminyak, Bali?

1. **Research Objectives**

* The objectives of this study were three folds. The first was that this study intended to explore the performance of factors influencing restaurant’s customer satisfaction in Seminyak, Bali. Second, this study aimed to explore the customer’s satisfaction level towards restaurant industry’s performances. And last, this study also investigated the difference variables that affected customer satisfaction towards casual and fine dining restaurant in Seminyak, Bali.

1. **Research Contributions**

A throughout understanding and knowledge of the factors that have impact on customer satisfaction are very useful in guiding casual and fine dining restaurant’s owners and managers to design and deliver the right offering and strategies. Also this study would contribute to provide empirical evidence of the difference variables that affect customer satisfaction towards casual and fine dining restaurant in Seminyak, Bali.

1. **Related Literature**

Qualities of brand characteristics that are offered by company determine the level of customer satisfaction (Khan and Afsheen in Sabir et all., 2014). Customer satisfaction can be defined in terms of meeting the expectation of the customers in terms of parameters associated with satisfaction (Malik and Ghaffor in Sabir et all. 2014). Customer final pleasure may have significant affect connected with atmosphere. Bodily atmosphere with the dining places have the significant effect on the client pleasure (Lim, 2010).

A restaurant is a for-profit foodservice operation whose primary business involves the sale of food/beverage products to individuals, and small groups of guests” Ninemeier & Hayes (2006: 11). Customer satisfaction of a restaurant indicates by any guest’s comment with good references, such as satisfied with dining experience, would return to the restaurant in the future, would recommend to others, and service quality was excellent (Andaleeb and Conway, 2006). Restaurant industry has four general segments according to the service customer receive: full servive, quick service, eating and drinking place and retail host (Ban, 2012). Fine dining restaurants are full-service restaurants with an upscale menu and extensive beverage offerings. The restaurants generally have a more sophisticated décor and ambiance, the wait staff is usuallyhighly trained and often wears more formal attire, and there is often a dress code for patrons. Fine dinning restaurants are generally classified as independents but in the last decade rapid growth of the higher end dining establishment in the full service segment (Ban, 2012). Meanwhile, quick service, eating and drinking place were classified as casual restaurants which offer limited service, limited menus and beverage list, and price oriented. This type of restaurants attract a wide range of market segment from lower income customers.

Restaurants are, however, primary retailers of ‘fooservice experiences’. The food plays a key but by no means the only part (Robson, 1999). Previous studies reported that restaurant service were a blend of tangible and intangible components. They are subjectively experienced processes where production and consumption activities take place simultaneously.

Customer satisfaction in restaurant industry affected by many dimensions, such as: Food Quality, Service Quality, Ambiance, Convenience, and Overall/everything included, (Dogdubay dan Avcikurt, 2008); Responsiveness/service quality, Food Quality/reliability, Physical Design, and Price, (Andaleeb and Conway, 2006); Place/ambience, Food quality, and Service quality (Abdullah and Rozario 2009); Competitive Location, Prices, Food Quality; and Customer Service (Pun and Ho in Abdullah and Rosario, 2009); First & Last Impressions, Service Excellence, Ambiance Excellence, Food Excellence, Feeling Comfortable Eating There, and Reservation & Parking (Kivela, et all., 2000); price, location, theme/ambience, service level, cuisine, and style, while prestige, friendliness of waiting staff, quality of food, dan ambience are the most important attributes (Kivela, 1997); sevice quality, food quality, price, clean and dry (Gupta, et all, 2007).

Food quality or reliability consists of many attributes, such as: garnished food, nutritional/healthy food, tasty food, variety of menu, fresh food, proper food temperature, and consistent standard (Dogdubay dan Avcikurt, 2008); exact order, order error free, fresh food, right food temperature (Andaleeb and Conway, 2006); food taste, food presentation, serving temperature (Abdullah dan Rozario, 2009); food temperature, food presentation, food taste, and food portion (Gupta, et all., 2007).

An important factor driving satisfaction in the service environtment is service quality. Service quality or responsiveness in a restaurant industry consists of: friendly/polite/ helpful staff, knowledgeable staff, speed of service, service style, consistent standard, professional staff (Dogdubay dan Avcikurt, 2008); attentive, helpful, prompt, neat appearance, understood needs, courteous, knowledge of menu (Andaleeb and Conway, 2006); promptly/friendly staff, appeareance of staff, seated quickly, prompt ordertaking, correct order (Gupta, et all., 2007); quickness of correcting problems, reliability of information provided, politeness/friendliness/helpfulness, dining privacy (Abdulah and Rosario, 2009)

Restaurant ambience consists of brand name/fame, overall comfort, quite atmosphere, view from restaurant, overall cleanliness, privacy, appearance of the restaurant, appearance of the staff, appearance of the other customer, temperature of the restaurant, background music, (Dogdubay and Avcikurt, 2008); comfort of the place, noise level, appearance of restaurant, temperature, cleanliness, layout of furniture (Abdullah and Rosario, 2009), meanwhile, a restaurant convenience’s indicators consists of location, ease of reservation, ease of parking, overall timing, children friendliness, promotions/coupon, price/value for money (Dogdubay and Avcikurt, 2008). Physical design and appearance of a restaurant attribute consists of lighting appropriate, adequate parking, clean, décor appealing (Andaleeb and Conway, 2006). Price as a dimention of satisfaction indicator consists of expensive, paid more than planned (Andaleeb and Conway, 2006); promotions/coupon, price/value for money (Dogdubay and Avcikurt, 2008) and special discount (Moschis, et all. 2003).

1. **Research Methode**

To answer the research question posed in the previous page primary data were needed. A questionnaire was developed for the research. The questionnaire consisted of three constructs. The first one was demographic; the second is satisfaction indicator, and the last one were restaurant performance and ratings. It comprised of 36 performance evaluation items and ratings, and 4 satisfaction level items on overall dining experiences. The questionnaires were distributed in Seminyak and Petitenget area for sixteen consecutive weeks from August to November 2015. The data were collected from 47 restaurants, consisted of 43 casual and 4 fine dining restaurants (Mozaic Beach Club, Ku De Ta, Sarong, Metis Lounge). There were 156 questionnaires completed by restaurant’s customers. The respondents were first required to indicate the satisfaction level, and then the restaurant performance when selecting a restaurant in this tourist area. A five-point labelled Likert-type scale was used. First, respondents were required to give a rating between 1 = strongly dissatisfied and 5 = strongly satisfied for each of the satisfaction attributes. Respondents were then required to assess the performance of restaurant services on five-point differential scale to give rating between 1 = very bad and 5 = very good for each of the attribute variables included in the questionnaire. And last, respondents were required to assess the degree of important of each service performance attributes also on five-point differential scale to give rating between 1 = not important at all and 5 = very important. To measure customer satisfaction, variables and indicator of any previous study and literature were used such as study by Cousins (2002), Dogdubay dan Avcikurt (2008), Andaleeb dan Conway (2006), Kivela, Inbakaran, dan Reene (2000).

A discriminant analysis was used in this study to predict the probability of any object which had two or more different group catagories. Discriminant analysis is a statistical analysis to predict a categorical dependent variabel (called a grouping variable). This method allows company to decide whether an element belongs or doesn’t belong to the advance set group which is not always simple and clear (Kocisova and Misankova, 2013). To measure the different group catagory, first the Wilks’ Lambda score should be determine with formula (m = 36):

Within –group SS/ (N-1)

λ = ------------------------------------------------------------------------ ……… (1)

between-group SS/ (k-1)(m-1) + within-group SS/ (N-1)

[ ΣX² - Σ(T² /n) / (N-1) ]

λ = ------------------------------------------------------------------------------ .......... (2)

[ Σ(T²/n) – (ΣX)² ] /N (k-1) (m-1) + [ΣX² - Σ (T² / n) ] / (N-1) ]

Where :

X = data of each sample

T = data summary of each group

n = number of sample of each group

N = number sample

k = number of group

m = number of choosen variable

Second, obtain the variable which has the smallest wiks’lambda value, and then calculate the F value to analyse (F to enter), with formula :

between-groups SS / (k-1 ( m – 1)

F = -------------------------------------------- …………………….. (3)

Within-groups SS / (N-1)

Last, analyse the F value changed (F to remove), with formula:

Fchange = {(n-g-p) (1- λp + 1/λp)} / {(g-1) ( λp + 1/λp) ................... (4)

To measure the customer satisfaction level and the degree of importance of each attribute, the range of each value level was then classified as five class, such as : very bad (range of 1.00- 1.80); bad (1.81 – 2.60); neutral (2.61 – 3.40); good (3.41 – 4.20); and very good (4.21 – 5.00).

To give a better insight on this study, a framework concept was then developed as figure underneath:

Seminyak tourist resort as dining destination

Restaurant industry

Fine dining restaurants

Casual restaurants

Customer behavior

Competition

Discriminant analysis

The difference variables which affect customer satisfaction towards casual and fine dining restaurant

**Figure 1. Research Model**

1. **Empirical Results**

**Respondent characteristics**

Results of survey conducted shows the demographic structures of the respondents as presented in table 3 below.

**Table 3**

**Demographic structure of respondents (N =156)**

|  |  |  |
| --- | --- | --- |
| **Demographic** | **Respondents** | **Percent** |
| 1. **Age group** |  |  |
| * Under 25 years | 39 | 25.00 |
| * 25-39 | 67 | 42.95 |
| * 40-55 years | 43 | 27.56 |
| * Over 56 years | 7 | 4.49 |
|  | 156 | 100.00 |
| 1. **Gender** |  |  |
| * Male | 86 | 53.33 |
| * Female | 70 | 46.67 |
|  | 156 | 100.00 |
| 1. **Country of origin** |  |  |
| * Australia | 64 | 41.02 |
| * Holland | 12 | 7.69 |
| * England | 10 | 6.41 |
| * Germany | 10 | 6.41 |
| * USA | 9 | 5.77 |
| * Italy | 6 | 3.85 |
| * Singapore | 6 | 3.85 |
| * Japan | 5 | 3.20 |
| * France | 5 | 3.20 |
| * Others | 29 | 18.60 |
|  | 156 | 100.00 |
| 1. **Occupation** |  |  |
| * Employee | 53 | 33.97 |
| * Prossesional | 46 | 29.49 |
| * Entrepreneur | 29 | 18.59 |
| * Student | 20 | 12.82 |
| * House wife | 5 | 3.20 |
| * Retired | 2 | 1.28 |
|  | 156 | 100.00 |
| 1. **Purpose of visit** |  |  |
| * Holiday | 128 | 82.05 |
| * Honeymoon | 11 | 7.51 |
| * Business | 9 | 5.77 |
| * Others | 8 | 5.13 |
|  | 156 | 100.00 |

Validity test with SPSS 17.00 shows the minimum value of (Rᵢ) was 0.490 and maximum value was 0.787, meanwhile reliability test minimum value (ά) was 0.717 and maximum value was 0.812.

1. **Restaurant performances and customers satisfaction**

The customers evaluation of dining experiences was shown in Table 4 and 5 below.

**Table 4**

**Restaurant Performances Evaluation**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| No | Variables | Indicators | Means | Performance |
| 1 | Food Quality (reliability) | 1. Food presentation&garnished (x1) 2. Nutritional/healthy food (x2) 3. Tasty food (x3) 4. Variety menu (x4) 5. Fresh food (x5) 6. Proper food temperature x6) 7. Consistent standard (x7) | 4.11  4.12  4.26  4.26  4.26  4.06  4.18 | good  good  very good  very good  very good  good  good |
| 2 | Sercice Quality (responsiveness) | 1. Frendly/polite/ helpful staff (x8) 2. Knowledgeable staff (x9) 3. Speed of service (x10) 4. Service style (x11) 5. Consistent standard (x12) 6. Professional staff (x13) | 4.35  4.12  4.13  4.16  4.17  4.13 | very good  good  good  good  good  good |
| 3 | Brand/Popularity | 1. Restaurant Brand name/fame (x14) 2. Popularity of chef, manager, staff (x15) 3. Popularity of entertainment group (x16) | 4.13  3.74  3.74 | good  good  good |
| 4 | Convenience | 1. Overall comfort (x17) 2. Quite atmosphere (x18) 3. Privacy (x19) 4. Temperature of the restaurant (x20) 5. Opening hours (x21) | 4.16  4.13  3.89  3.95  4.17 | good  good  good  good  good |
| 5 | Ambiance | 1. View from restaurant (x22) 2. Overall cleanliness (x23) 3. Toilet (x24) 4. Appearance/decor of the restaurant (x25) 5. Appearance of the staff (x26) 6. Appearance of the other customer (x27) 7. Lighting appropriate (x28) 8. Background music (x29) 9. Location (x30) 10. Ease of reservation (x31) 11. Ease of parking (x32) | 4.10  4.28  4.22  4.29  4.08  4.03  4.19  4.17  4.40  4.10  3.90 | good  very good  very good  very good  good  good  good  good  very good  good  good |
| 6 | Harga (Price) | 1. Price/value for money (x33) 2. Paid more than planned (x34) 3. Credit card acceptance (x35) 4. Happy hours (x36) | 4.13  3.96  3.94  4.35 | good  good  good  very good |

**Table 5**

**Customer Satisfaction Evaluation**

|  |  |  |  |
| --- | --- | --- | --- |
| No. | Satisfaction Indicators | Means | Performance |
| 1  2  3  4 | Customer overall satisfaction.  Customer loyalty to revisit to this restaurant.  Customer memories about the restaurant  Customer willingness to recommend restaurant to friends | 4.16  4.14  4.13  4.15 | *good*  *good*  *good*  *good* |

1. **Discriminant Analysis**

Based on discriminant analysis, test of equality of group means was shown underneath.

**Tests of Equality of Group Means**

.992

1.224

1

153

.270

.989

1.703

1

153

.194

.989

1.624

1

153

.204

.996

.595

1

153

.442

.988

1.874

1

153

.173

.992

1.196

1

153

.276

.965

5.536

1

153

.020

.996

.660

1

153

.418

.997

.467

1

153

.495

1.000

.041

1

153

.840

1.000

.000

1

153

.995

.990

1.554

1

153

.214

1.000

.001

1

153

.977

.972

4.453

1

153

.036

.993

1.075

1

153

.301

.998

.284

1

153

.595

.992

1.211

1

153

.273

.984

2.487

1

153

.117

.996

.582

1

153

.447

.999

.098

1

153

.755

.991

1.391

1

153

.240

.978

3.462

1

153

.065

.999

.222

1

153

.638

.988

1.789

1

153

.183

.992

1.236

1

153

.268

1.000

.044

1

153

.834

.999

.175

1

153

.676

1.000

.045

1

153

.832

1.000

.043

1

153

.835

.971

4.548

1

153

.035

.978

3.410

1

153

.067

.996

.547

1

153

.461

.982

2.806

1

153

.096

.996

.659

1

153

.418

.996

.580

1

153

.447

.988

1.792

1

153

.183

X1

X2

X3

X4

X5

X6

X7

X8

X9

X10

X11

X12

X13

X14

X15

X16

X17

X18

X19

X20

X21

X22

X23

X24

X25

X26

X27

X28

X29

X30

X31

X32

X33

X34

X35

X36

Wilks'

Lambda

F

df1

df2

Sig.

If Wilks’ Lambda value getting close to “ 0”, it means the variables of each group (casual and fine dining) tend to be in different category. Conversely, if Wilks’ Lambda value getting close to “ 1”, it means the variables of each group tend to be in same category such as: *speed of service (X10*), *service style (X11*), *professional* *staff (X13*), *appearance of the staff (X26*), *lighting appropriate (X28*) , and *background* *music (X29*), whereas all these six factors have Wilks’ Lambda value = 1.

If “F” value getting bigger (as shown in Table 7 and 8), it means variables affect satisfaction between two groups getting difference, with references as follows:

* if Sig. > 0.05; mean there was no difference within variables that affect customer satisfaction between two groups of restaurant.
* if Sig. < 0.05; mean there was differences within variables that affect customer satisfaction between two groups of restaurant.

Based on those references above, the difference variables that affect customer satisfaction towards casual and fine dining restaurant were: *consistent standard (X7, with sig. 0.020*), *quite atmosphere (X18, with sig. 0.003*), X14 *restaurant brand name/fame (X14 with sig. 0.001*), dan *location (X30 with sig. 0.000*).

**Box's Test of Equality of Covariance Matrices**

**Log Determinants**

4

-2.605

4

-2.003

4

-2.126

Z

Fine dining

Casual restaurant

Pooled within-groups

Rank

Log

Determinant

The ranks and natural logarithms of determinants

printed are those of the group covariance matrices.

****

**Stepwise Statistics**

**Variables Entered/Removed**

**a,b,c,d**

X7

.156

Fine dining

and casual

restaurant

5.536

1

153.000

.020

X18

.353

Fine dining

and casual

restaurant

6.225

2

152.000

.003

X14

.474

Fine dining

and casual

restaurant

5.537

3

151.000

.001

X30

.641

Fine dining

and casual

restaurant

5.576

4

150.000

.000

Step

1

2

3

4

Entered

Statistic

Between

Groups

Statistic

df1

df2

Sig.

Exact F

Min. D Squared

At each step, the variable that maximizes the Mahalanobis distance between the two closest

groups is entered.

Maximum number of steps is 72.

a.

Maximum significance of F to enter is .05.

b.

Minimum significance of F to remove is .10.

c.

F level, tolerance, or VIN insufficient for further computation.

d.

Based on the result of stepwise method with four time iterations, 4 factors were found as the difference variables that affect customer satisfaction between casual and fine dining restaurants. All these variables were *consistent standard (X7*), *quite atmosphere (X18*), *restaurant brand name/fame (X14*), dan *location (X30*).

**Variables in the Analysis**

1.000

5.600

.861

9.894

.069

Fine dining

and casual

restaurant

.861

6.696

.156

Fine dining

and casual

restaurant

.852

10.864

.152

Fine dining

and casual

restaurant

.816

4.026

.346

Fine dining

and casual

restaurant

.911

3.889

.351

Fine dining

and casual

restaurant

.807

6.598

.431

Fine dining

and casual

restaurant

.793

5.455

.465

Fine dining

and casual

restaurant

.883

5.349

.469

Fine dining

and casual

restaurant

.826

5.329

.469

Fine dining

and casual

restaurant

X7

X7

X18

X7

X18

X14

X7

X18

X14

X30

Step

1

2

3

4

Tolerance

F to Remove

Min. D

Squared

Between

Groups

**Summary of Canonical Discriminant Functions**

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Wilk’ Lambda Table shows Chi-Square Value at 21.051 with Sig. 0.00, which describes the behavior of customers between two group were significantly different.

**Standardized Canonical Discriminant Function Coefficients**

.633

-.547

-.583

.565

X7

X14

X18

X30

1

Function

Standardized Canonical Discriminant Function Coefficients results shows X7 (Consistent standard) as the most important discriminator between two groups with coeff. Value 0.633.

**Functions at Group Centroids**

-.512

.287

Z

Fine Dining

Casual Restrnt

1

Function

Unstandardized canonical discriminant

functions evaluated at group means

Group Centroids describe mean of discriminant value of each observation in each group. Value of Group Centroids of fine dining restaurant was -512, meanwhile Group Centroids of casual restaurant was 0.287. The means of discriminant score of both groups were significantly different.

****

**Prior Probabilities for Groups**

.500

56

56.000

.500

100

100.000

1.000

156

156.000

Z

Fine Dining

Casual Restrnt

Total

Prior

Unweighted

Weighted

Cases Used in Analysis

**Classification Function Coefficients**

4.096

4.776

3.492

2.985

2.550

1.997

3.333

3.900

-28.225

-29.083

X7

X14

X18

X30

(Constant)

Fine Dining

Casual

Z

Fisher's linear discriminant functions

**Classification Results**

**b,c**

37

19

56

37

63

100

66.1

33.9

100.0

37.0

63.0

100.0

36

20

56

38

62

100

64.3

35.7

100.0

38.0

62.0

100.0

Z

Fine Dining

Casual Restrnt

Fine Dining

Casual Restrnt

Fine Dining

Casual Restrnt

Fine Dining

Casual Restrnt

Count

%

Count

%

Original

Cross-validated

a

Fine Dining

Casual

Restrnt

Predicted Group

Membership

Total

Cross validation is done only for those cases in the analysis. In cross

validation, each case is classified by the functions derived from all cases

other than that case.

a.

64.1% of original grouped cases correctly classified.

b.

62.8% of cross-validated grouped cases correctly classified.

c.

Classification results analysis showed 37 of 56 fine dining restaurant’s customers were consistently classified as fine dining customers meanwhile 19 of them moved to casual restaurant customer’s characteristics. 63 of 100 casual restaurant’s customers were consistently classified as casual restaurant customers and 37 of them moved to fine dining customer’s characteristics.

1. **Conclusion**

The results showed that means of restaurant performances in Seminyak area were categorized as good and very good performances, meanwhile, means of customer satisfaction level was classified as very good.

Discriminant analysis results revealed 6 variables which affect customer satisfaction tend to be in same category such as: *speed of service*, *service style*, *professional* *staff*, *appearance of the staff*, *lighting appropriate*, and *background* *music*.

The difference variables which significantly affected customer satisfaction towards casual and fine dining restaurant in Seminyak area were *consistent standard*, *quite atmosphere*, *restaurant brand name/fame*, dan *location.*

Discriminant Analysis could be used to determine which variable(s) are the top predictors of restaurant performances. In this case, *consistent standard* was the most important variable which affect customer satisfaction between casual and fine dining restaurant.

1. **Limitation of the study**

Only 156 questionnares were collected from minimum 200 advisable questionnares needed to fit the model. This study analyzed the difference factors affect customer satisfaction towards casual and fine dining restaurant only. Others phenomenas such as the relationship of respondent’s income, buying power, behaviors, age, and genders to purchase intention towards casual or fine dining didn’t analyze in this study. To enrich the results of the study on the difference characteristics between casual and fine dining restaurant, further research is strongly sugested.

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