



Impact of price, taste and ambiance on consumer satisfaction

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ABSTRACT

The purpose of this study was to determine the impact of price, taste and ambiance of restaurants on consumer satisfaction. A questionnaire based survey was conducted among 300 consumers within 10 fine dine restaurants of Jammu district of Jammu and Kashmir purposively. Surprisingly the results of the study have established that there is a significant impact of impact of price, taste and ambiance of restaurants on consumer satisfaction. Therefore it is recommended that a manager must ensure best consumer oriented pricing policy, delicious taste of food and soulful ambiance to ensure consumer satisfaction at its best.

Key words: Ambiance, customer satisfaction, price, taste,

Indian food service industry is one of the leading industries of India, holding a market size of more than 152 billion USD, which is expected to grow at a Compound Annual Growth rate of 12.50 per cent between the period of 2022-2027 (Sandhya, 2022). COVID-19 pandemic has drastically affected the sector and lead to a dramatic economic downfall for restaurant owners across the country (Kumar, *et al.*, 2020). Restaurant entrepreneurship is not a business of ease. It is a complex trade which requires a continuous evolution to meet consumer preferences and taste. (Mo, *et al.*, 2020). The outbreak of virus has been shown a global on economy while has been a factor of bankruptcy of many brands, consumers and forcing the global economic shrink (Mehrotra, 2020). Indian restaurant sector has witnessed a complete shut down for months while as many experts believed that majority of the restaurants will not survive this economic depression. (Nicola, *et al.*, 2020) Despite of COVID-19 pandemic Indian restaurant business has proven its potential and has lifted itself to the new heights of economic growth. It is needless to say that the sector has survived the pandemic while cutting the edges (Kim and Lee, 2020).

MATERIALS AND METHODS

Research gap: Consumer satisfaction is just a gauge determining the way of fulfilling the needs of consumers by business organizations. It is a feeling of pleasure which determines a state of happiness of a consumer towards a product or service (Kotler and Keller, 2006). In present era, consumer satisfaction is just a term to be mentioned in books, it is said to a significant factor which contributes towards the growth of a business organization. Talking about restaurant business organizations, consumer satisfaction is of prime importance because it is one of the key deciding factors motivating a consumer to visit a restaurant again. In other words higher the consumers are satisfied higher are the chances of his or her re-visiting a particular restaurant (Teas, 1993). In order to understand the concept of consumer satisfaction in detail it becomes important to understand the factors influencing the consumer satisfaction so that a manager could be able to shape those influential factors with a purpose to ensure consumer satisfaction at its best (Ayoub, *et al.*, 2022) Research studies have highlighted several factors influencing the consumer satisfaction with respect to restaurants in India. But not a single research study was found in the literature in context of Jammu and Kashmir. In order to overcome this research gap, this particular study was framed to determine the impact of price, taste and ambiance on consumer satisfaction towards fine dine restaurants in Jammu district of Jammu and Kashmir India.

Research Methodology: Present study being descriptive in nature included Jammu district of Jammu and Kashmir as sampling area. A self-structured questionnaire based survey was conducted among 300 respondents selected from 10 fine dine restaurants in Jammu while adopting purposive sampling technique. Consumer satisfaction was measured on a 5 point likert scale from (strongly dissatisfied =1 to strongly satisfied =5), expectation towards price, taste and ambiance was also measured by using 5 point Likert scale from (strongly disagree =1 to strongly agree =5). Finally Pearson's Chi Square test was used to check the impact of price, taste and ambiance on the consumer satisfaction.

Conceptual model and hypothesis: Here price, taste and ambiance have been taken as independent variables and consumer satisfaction as dependent variable. To derive empirical outcomes following hypothesis were formed:

Hypothesis 1: Consumer perception of price has a significant impact on satisfaction.

Hypothesis 2: Consumer perception of taste has a significant impact on satisfaction.

Hypothesis 3: Consumer perception of ambiance has a significant impact on satisfaction.

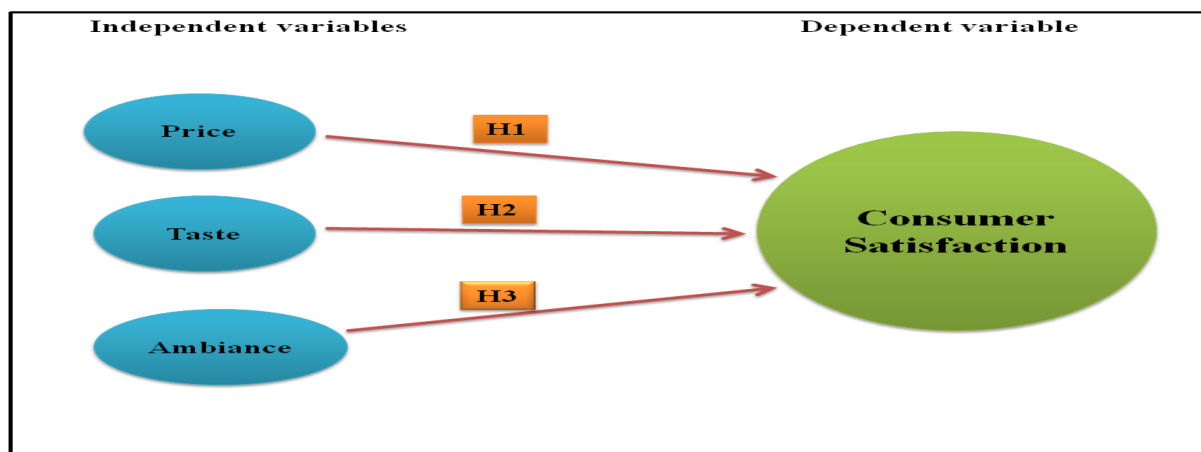


Fig. 1 depicts the conceptual model and hypothesis

RESULTS AND DISCUSSION

Table 1 depicts cross tabulation and Pearson's Chi-Square test between price and consumer satisfaction. In this regard following hypothesis was tested:

Table 1: Impact of price on consumer satisfaction

			Consumer satisfaction					Total
			Strongly dissatisfied	Dissatisfied	Neutral	Satisfied	Strongly satisfied	
Perception towards price	Strongly disagree	Count	17	22	5	20	12	76
		Expected count	18.7	16.7	2.5	19.5	18.5	76.0
	Disagree	Count	10	18	0	20	16	64
		Expected count	15.8	14.1	2.1	16.4	15.6	64.0
	Neutral	Count	30	11	1	10	14	66
		Expected count	16.3	14.5	2.2	16.9	16.1	66.0
	Agree	Count	10	11	1	12	22	56
		Expected count	13.8	12.3	1.9	14.4	13.6	56.0
	Strongly agree	Count	7	4	3	15	9	38
		Expected count	9.4	8.4	1.3	9.8	9.2	38.0
Total		Count	74	66	10	77	73	300
		Expected count	74.0	66.0	10.0	77.0	73.0	300.0
Pearson	chi-square	Value	df			Asymptotic significance (2 sided)		
		44.046	16			0.000		
significant (p-value <0.05)								

H1: Consumer perception of price has a significant impact on satisfaction.

The probability value attained from the Pearson's Chi-Square test is 44.046 which is significant (p-value <0.05) therefore we accept the Hypothesis 1 (H1) as Consumer perception of price has a significant impact on satisfaction.

Table 2 depicts cross tabulation and Pearson's Chi-Square test between taste and consumer satisfaction. In this regard following hypothesis was tested:

H2: Consumer perception of taste has a significant impact on satisfaction.

The probability value attained from the Pearson's Chi-Square test is 41.074 which is significant (p-value <0.05) therefore we accept the Hypothesis 2 (H2) as Consumer perception of taste has a significant impact on satisfaction.

Table 2 Impact of taste on consumer satisfaction

			Consumer satisfaction				Total	
			Strongly dissatisfied	Dissatisfied	Neutral	Satisfied		Strongly satisfied
Perception towards taste	Strongly disagree	Count	6	13	0	3	4	26
		Expected count	6.4	5.7	.9	6.7	6.3	26.0
	Disagree	Count	15	18	7	16	12	68
		Expected count	16.8	15.0	2.3	17.5	16.5	68.0
	Neutral	Count	12	4	0	7	7	30
		Expected count	7.4	6.6	1.0	7.7	7.3	30.0
	Agree	Count	26	22	2	31	23	104
		Expected count	25.7	22.9	3.5	26.7	25.3	104.0
	Strongly agree	Count	15	9	1	20	27	72
		Expected count	17.8	15.8	2.4	18.5	17.5	72.0
	Total	Count	74	66	10	77	73	300
		Expected count	74.0	66.0	10.0	77.0	73.0	300.0
Pearson chi-square	Value		df		Asymptotic significance (2 sided)			
	41.074		16		0.001			
significant (p-value <0.05)								

significant (p-value <0.05)

Table 3 depicts cross tabulation and Pearson's Chi-Square test between ambiance and consumer satisfaction. In this regard following hypothesis was tested:

H3: Consumer perception of ambiance has a significant impact on satisfaction.

The probability value attained from the Pearson's Chi-Square test is 41.074 which is significant (p-value <0.05) therefore we accept the Hypothesis 3 (H3) as Consumer perception of ambiance has a significant impact on satisfaction.

Table 3 Impact of ambiance on consumer satisfaction

			Consumer satisfaction					Total
			Strongly dissatisfied	Dissatisfied	Neutral	Satisfied	Strongly satisfied	
Perception towards ambiance	Strongly disagree	Count	6	14	0	12	1	33
		Expected count	8.1	7.3	1.1	8.5	8.0	33.0
	Disagree	Count	6	15	6	13	6	46
		Expected count	11.3	10.1	1.5	11.8	11.2	46.0
	Neutral	Count	15	14	2	7	11	49
		Expected count	12.1	10.8	1.6	12.6	11.9	49.0
	Agree	Count	12	4	0	7	9	32
		Expected count	7.9	7.0	1.1	8.2	7.8	32.0
	Strongly agree	Count	35	19	2	38	46	140
		Expected count	34.5	30.8	4.7	35.9	34.1	140.0
	Total	Count	74	66	10	77	73	300
		Expected count	74.0	66.0	10.0	77.0	73.0	300.0
Pearson chi-square		Value	df			Asymptotic significance (2 sided)		
		55.485	16			0.000		
(p-value <0.05)								

(p-value <0.05)

CONCLUSION

This paper was aimed at determining the impact of price, taste and ambiance of restaurant on consumer satisfaction with respect to fine dine restaurants in Jammu district of Jammu and Kashmir India. After a detailed analysis, it was surprising to know that results were in favor of all the three constructed hypothesis i.e. (H1, H2, H3) because in all the three cases the probability value of Pearson's Chi-Square was found to be less than 0.05 (p-value <0.05). Therefore our study establishes the claim that price, taste and ambiance of restaurant has a significant impact on consumer satisfaction. The results were in the line with the earlier studies conducted by (Adam, 2015; Rajput & Gahfoor, 2020; Szymanski and Henard, 2001) which confirmed that price, taste and ambiance of restaurant influences the consumer satisfaction towards a restaurant. Our study has a wide range of managerial applications. As the study establishes the claim that that price, taste and ambiance of restaurant influences the consumer satisfaction towards a restaurant therefore a manager must ensure best consumer oriented pricing policy, delicious taste of food and soulful ambiance to ensure consumer satisfaction at its best.

Limitations and future research: Our study was limited till Jammu district and considering only fine dine restaurants. However further study can be undertaken while considering different classes of restaurants to generalize the facts. Furthermore, different statistical parameters and techniques can applied to derive more clearly empirical results.

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