A case study on Pizza Hut Pakistan

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Abstract- Undoubtedly, we are living in the age of information and knowledge era. The global competition has been increased. It becomes very difficult for any organization to survive in intensive competition environment. The main motive of this study to determine the linkage between consumer satisfaction, perception of service quality and the environmental factor which foster the relationship. For that purpose, we emerge the two models named north American School and Nordic school model and develop a combine model named dynamic process model. According to this model, customer perception is nonlinear function. And customer main focus on perception rather than expected outcome or result. We develop proposition, and proposition measure through five service quality dimensions. Furthermore we develop three propositions, in which two shows significant result while second proposition has not found any impact. Five service quality dimensions also used to measure the relationship of customer satisfaction and perceived service quality. At the end, it concluded that Tangibility and Responsiveness have high to moderate response (both from customer and employee perspective). While remaining dimension shows partial and negative result

Key Words: Customer Satisfaction, Perceived Service Quality, Service Quality, Service Quality dimensions

Introduction

Various researcher defined service quality. From (Bahia et al., 2000) service quality is making the general conclusion (feelings, thoughts) about an organizations pre- eminence quality service. The general conclusion made by customer at every step, as customer has turn out to be more aware about quality and demand more for it, so customer always prepared to inquire about which type of service he received in near future. The conceptualization of service quality has been in the form of what a consumer gives value and meet it (Parasuraman et al, 1988; Winsted, 2000). While fundamental dimensions, service quality capacity have accessible and have significant discussion, various quality writers have the opinion that quality service has connection between consumers preceding opportunities of service and their expectations about service familiarity. Adding together (Kasper et al, 1999; Palmer, 2001) express that quality service can be defined as to evaluate and determine how soundly a service is delivered and it equivalent to consumers need. (Kotler, 2003) express that an organizations quality service is experienced at each and every step. Consumers always make comparison between what they expect and what they actually receive quality service. But when perception of quality service less than they expect, then consumer disappointed. When it fulfill their needs, most of the time they utilize service another time. (Parasuraman et al, 1994) again define quality service as the divergence of what consumer perceive and expect. However (Gronross, 2001) stated that; perceive consumer quality service has two sides or extent: a technical or outcome side and functional or process- related side as well. The feature of quality in these days become more significant subject of research in quality service firms, the involvement of major factor (quality product or service) of firms contributing in quality service alive in business or difficult to stay in business world (East, 1993). Another view about service quality according to (Palmer, 2001) it’s “fulfill the needs and expectations” means should declare their terms and condition related service quality. A universal approach related to business side presented brief description to quality service ‘total uniqueness of any product and service that can convince direct or indirect requirement of customer (Lockwood, 1994). By providing the initial delivery quality service is very crucial strategy through which they take competitive advantage in

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overall market. Therefore association between consumer satisfaction, quality service and buying activities has been very significant area for exploration (Sivas & Baker-Prewitt, 2000; Pettijohn et al., 1997). Earlier researches about consumer expectations, service quality insight the food industry has exposed few crucial traits like costless junk items value (junk items flavor, diet goods), characteristics of currency, image, service and brand name (Tam & Yung, 2003; John & Howard, 1998). There are five quality service construct; which briefly explained (Parasuraman, Zeithaml, & Berry, 1998) so the research will be conducted on all of these in the environment of Pakistan. Stability between consumer as profit making sense and consumer in loss bearing sense can obtain from services process that can further facilitate food service to improve more and make it perfect in quality wise. On the other hand, providing customer better service, lots of obstacles exist. That’s reality that high competition in close at hand food industry has badly affected food industry, no matter there is gap exist that from customer adverse criticism from consumer about their services available and received expectation mainly to fulfilling the needs of customer during the process stays in the food court be a sign of a gap exist. This will be a case study and it will examine that how Pizza Hutt is following the Service Quality dimensions to maintain its Quality and control in the process of repositioning itself and expanding its product line.

Lots of studies have been carried out to investigate the amount of strength of SERVQUAL dimensions on consumer contentment like Dinesery produced by (Stevens et al., 1995). Yet, the difference exists between population sample size, cultural norms, background, earnings and feelings or emotions are very important to estimate these dimensions. As a result, the purpose of this study to perform a connection the gap in the literature by investigating the quality service effect on a customer of Pakistani food court industry. Very few researches have been conducted to identify and examine the service quality of Pakistani food industry especially Pizza Hut (Swanson & Davis, 2003; Heung et al., 2000). This will be a case study and it will examine that how Pizza Hutt is following the Service Quality dimensions to maintain its Quality and control in the process of repositioning itself and expanding its product line. The primary reason behind this study is to examine the connection between service quality and factor of satisfaction and rate of patronage in Pizza Hut in a developing country or third world country like Pakistan. It will be worth attending interest to understand which factors highly influence the service quality perception, satisfaction of customer. The remaining structure of the paper is based on literature review with proposition, briefly explain the research methodology. Next would be key findings, conclusion and at the end some limitations, future implications would be discussed.

Literature Review

From the era of 1990 work on product quality is enduring (Dale & Plunkett, 1990). Somehow, quality service has been broadly researched since 1980s. From the available literature, how it is defined and in quality service practice different approaches have been accept. (Brogowicz et al., 1990) different approaches could be divided in two different ways. The North American and Nordic schools signify these extensive approaches and conceptualizations. The Nordic school plays a very vital role (Gronroos, 1982; 1983; 1984; Lehtinen, 1985; Gummesson & Gronroos, 1987 and Ghobadian et al., 1994). On the other hand, the North American School has also played a key role (Parasuraman et al., 1985; 1988; 1990; Garvin, 1987; and Haywood-Farmer, 1988). (Brogowicz et al., 1990) both school represents the current way of thinking within quality service ground. In 1988, Gronroos express that actually quality is verity of resources (Smith, 1993). He explains that quality is used as independent variable, not as a function of resources and not as quality efficient. No doubt both variables are very much related to each other (Gronroos finalized that for consumer perception functional dimension is very crucial. (Gronroos, 1983) categorized quality service in to two variables: technical quality and non technical quality. He also draws the light that quality service experienced by consumer causes his /her potential consumption in future. So our first proposition is:
The quality service perception would be the result of appraisal process approved by customer. Quality service is the measurement of quality service meets the needs of customer desires.

The quality service conceptualization depends upon fulfilling the customer expectations. (Ghobadian et al., 1994) express that customer is involve in delivery process and service process and service outcome both influenced from perception of quality.

This will conclude that previous desires can influenced the acquit and quality perception is well prepared.

(Swan & Comb, 1976) found two constructs for a product or service desire performance. Expressive performance and Instrumental performance. Instrumental performance express the tangible distinctiveness of a product (Gronroos, 1983) while Expressive performance express the psychological distinctiveness of a product and very much a like functional construct. More like (Gronroos, 1983; Swan & Comb, 1976) express that for customer satisfaction, instrumental performance is somehow necessary but it’s not sufficient. Swan and Comb further also make a review that a satisfied customer will make comment on functional attributes and against the technical attributes. (Gronroos, 1987) explained the vitalness of trained and skillful workers for service and manufacturing firms. The manufacturers also exist in the same economy world have to learnt the rule of services.

He advanced five rules for service quality. Like the writers from the Nordic School, the writers of North American School made their contributions from academic and marketing research perspective. Among the contemporary and prolific writers are the contributions from (Parasuraman et al., 1985; 1988; 1990). As part of the developments in service quality, they undertook their exploratory research during the decades of the 1980s and 1990s. These researchers developed a multi-construct to measure the degree of quality service perception.

The SERVQUAL reviewed and number of researchers makes critically analysis of it (Cronin & Taylor, 1992; 1994; Bolton & Drew, 1991; Carman, 1990). Most of the research issues under consideration of researchers are perception and expectations of quality. Very few researchers have a view that customer perception is very important component and easily measureable (Cronin & Taylor 1992; 1994; Teas, 1994). (Parasuraman et al., 1994) has taken part in debate of SERVQUAL is beneficial for further modification. The overall criticism related to SERVQUAL is quality a performance related dimension that is more precisely measure through perceptions of customer instead of expectations (Carman 1990; Asubonteng et al., 1996; Brady & Cronin, 2001). Haywood-Farmer (1988) have the same point of view that customer finalize quality by comparison of their perceptions not to expectations.

Finally, he propose that both perception and expectation experiential state of mind instead of reality.

Making a comparison with perceived service quality model from the Nordic School (Gronroos 1993; Ghobadian, 1994) and the GAP Analysis model from the North American, School (Boulding et al., 1993; Parasuraman et al., 1988; 1985) advance what they call the Dynamic Process model. They conceptualize service quality as performance based and take perceptions and not expectations as the foundation for their dynamic model. However, Boulding et al base their model on the perceptions element of (Parasuraman et al., 1988) five constructs of SERVQUAL items. After a long discussion on it two researchers names (Brady & Cronin, 2001) summarized all the discussion that quality service is different concept. The focal point of the discussion is two different aspects of the Nordic and American schools. They find the assumption that Nordic schools conceptualization about service quality in categorized form and American school express quality service in expressive forms. One of a qualitative study, break the statement and using the theory of Oliver’s and Rust 1994, expressed quality perception is depend on consumer theory assessment of different variables of service.
measure (1) The employer-customer dealings (Gronroos’s quality function), (2) the environmental factor of service (Parasuraman et al’s tangibles dimension), and (3) the consequence (Gronroos’s outcome (Gronroos’s systematical values).

(Brady and Cronin, 2001) found in their research that customers perform quality service perception by evaluating it on three dimensions of interactions, environment and outcomes.

Rust and Oliver’s (1994) provide empirical evidence for dimensionalized of these three constructs of quality service. Service quality and their facets very much control the customer satisfaction (Finn, 2012). So, it’s very important to identify those constructs which impact and measure the service quality factors. Evan in his study stated five dimensions for service quality. So these factors are; “Responsiveness” is the readiness of employees, all the time available for customer help. (Lee et al., 2011) Findings also reveal the fact those three basic dimensions having multiple sub constructs, which have the combination of consumer perception related to quality service. Findings also indicate that responsiveness, reliability and empathy from the American school (Parasuraman et al., 1985; 1988) are crucial modifier of sub constructs of quality service because it’s different from direct determinants of quality service, other than this is necessary for consumer perception of extra ordinary quality service (Schembri & Sandberg, 2002) sum up quality service based on three models:

1. Perceived service quality (Gronroos, 1993; Ghobadian, 1994)
2. Gap analysis (Parasuraman et al., 1985; Zeithaml, Parasuraman & Berry, 1990)
3. Performance-based dynamic process model (Boulding et al., 1993)

Schembri and Sandberg both condemn due to limitations of approaches they used, by analysis as third party viewer. They concluded this quality service is evaluated and determined the way through researchers conceptualized about consumer perception not about how consumer in real experience and conceptualize as first independent party viewer. Both researchers found these models are non dynamic, linear, stagnant and useless to extend further understandings, so fulfill above gap they extend this quality service model by using interpretive approach to customer experience. Then they propose phenomenography as a methodology for researching and finding out about the experiences of consumers. They used interviews in their methodology as well as observations and written accounts, this approach permit them to conduct the research that how customer conceptualize quality service and disparity among them how it appears between them. This assignment turns up the broad range of variation in quality conceptions as primary guide to actions in the customer (Sandberg, 2000).

(Yoo & Park, 2007) identified in his research that internal customers play a primary role in service process, serious component in advancing the perceived quality service. In addition (Edvardsson, 2005) have declared that quality service perceptions are mostly produced during production phase, consumption and delivery process. (Vargo & Luch, 2004) disagree this point of view and confessed that service is a kind of competitive advantage and value creation that is displayed in service processes at the time of customer needs. Consequently, to fulfill customer needs and desires, provision of service is an essential task for managers in food industry while having a challenge to satisfy customers so that they become the potential customer for their food court.

In the same way (O’Neill & Palmer, 2003) have described that quality service related customer perceptions may huge amount be influenced on the basis of their previous experience with a service or product. Another study conducted by (Markovi & Raspor, 2010)
and they expressed that “reliability” has included as most significant predictor of perceived quality service. In food industry, his construct resolve the customers problems, error-free customer service provider, provide on time service, suitable opening hours of food court.

(Parasuraman et al., 1985 and Zeithaml et al., 1990) distinguished that important element for the survival in any type of business is the deliverance of service quality to customers. The service quality is used to find the customer loyalty and customer satisfaction on service quality scale (Ravichandran et al., 2010; Rahaman, Abdullah & Rahman, 2011).

An appropriate delivery and services procedure to convene customer’s desires and requirements have now a day’s become significant objective for service organizations. Service procedure expresses the techniques and sequence in which service operating systems work and how they make connection between outcome and service experience by customers and valued them (Lovelock et al., 2005). (Oakland, 2005; and Kandampully et al., 2001) conducted the research and found that quality service would only be realized when organization gave power to their internal customer. Because internal satisfied customer bring more customer for the organization (Lovelock et al., 2005). The first construct is Tangibility (which include tangible assets like people, equipment) reliability (individual ability to perform a task effectively) next is responsiveness which means (it’s the responsibility of organization to listen internal and external customers problem) the next dimension is assurance (assure customer strong relation of trust), empathy (gave individual attention to every customer).

History of Pizza Hut:

The world first time familiar to the word “Restaurant” in 16th century and food which available was highly flavored soup. The late 18th century, the food courts were available for those people who like to eat outside. In 1765 bouillion-seller named Boulanger, “fit for the gods” that was the first modern restaurant. To follow this stance by Pontaille and Roze in 1766 opened a maison de santé food restaurant. So the first Parisian restaurant was found by Beauvilliers in 1782 named Grand Taerne de Londres. The first time introduced the concept of food available on menu and served to tables. Furthermore, in Paris who had no family they formed customers in the form of businessmen and journalists. With the passage of time, the food industry became more and more modernized updated and established institution. In Wichita USA 1958, two brothers named Frank and Dan had opened a world’s first restaurant in 600 dollars. After got success in America, they shifted towards UK in 1973. In London they started their business in a small hut, but now they have 700 restaurants only in UK. The C.E.O of the company declared that we entered the market in late 1973, but we have still market leader in UK. Now, there are hundreds and thousands of food chain in all over the world (internet source).

Research Methodology

Case study is a thick description of an individual or organization. A case study can be on an individual. (Yin, 1981 a, 1981 b) defined case study in two actions. First the case study is a

- quantitative examination of study that tried to find current approach from the perspective of reality, particularly
- There is no any limitation exist between current approach and perspective.

Additionally, we used the case study method because it’s very near to our current approach of study. Therefore this distinguishes of case study help us to understand different research strategies. The main motive of current approach is to learn about five dimensions of
quality service and its implementation in Pizza Hut in Pakistan. The major understanding of this case study will be to learn about service quality system and its dimensions that how Pizza Hut implementing the service quality dimensions with ISO Certification what are the check and balances about service quality in the organization itself and what is the view customer about it?

Data Analysis

There are different data collection methods that can be used as interviews, survey, focus group, field study and ethnography. Our data collection method will be interviews, and interviews will be conducted from eight respondents. Four will be taken from organizational managers and remaining will conduct from the customers of Pizza Hut. I conducted interviews from customer via mail. On the other hand, my group fellow conducted interview of four employees from F10 markaz through face to face interview. So that knows about, which service quality dimension is implemented in their organization and what is their view about Pizza Hut.

ISO 10000- ISO 14999:

ISO 10001: 2007

This ISO standard deals with customer satisfaction both individual lays outside organization and internal customer. This standard also provides rules and regulation to any food industry.

ISO 10001: 2014

This ISO 10002:2014 providing the standard to measure customer complaints, taking feedback on regular basis. There should be 360 degree feedback process within pizza hut.

Another standard ISO 10003:2007 which provide standard to meet and resolve challenges outside the organization (pizza hut).

ISO 10005: 2005 to continuous improve and satisfied customer by providing safe and healthy food.

Customer Perspective

In the response to reliability dimension of service quality, customer’s shows partial result about pizza hut. (Gronroo’s technical quality) according to Gronroo’s most of the time customer give importance to perceived service quality. Is the strong relationship of trust and care between management and customer of pizza hut? Overall it shows partial result In the same way (O’Neill & Palmer, 2003) have described that quality service related customer perceptions may huge amount be influenced on the basis of their previous experience with a service or product; (Oakland, 2005; and Kandampully et al., 2001) conducted the research and found that quality service can only be achieved if organizations give power to their employees to strengthen quality service constructs. About Tangibility, All opinion from customer side remains same and negative side of scale. For empathy, where one is neutral and other one is strongly disagree side. All customers related to assurance have strongly disagreed. Employees of PIZZA HUTT have knowledge to answer customers’ questions. Only one customer is strongly agreed while remaining shows the partial results. Fast and efficient service is provided to customers: one is agreed while remaining is neutral behavior. Findings also reveal the fact those three basic dimensions having multiple sub constructs, which have the combination of consumer perception related to quality service. Findings also indicate that responsiveness, reliability and empathy from the American school (Parasuraman et al., 1985; 1988) are crucial
modifier of sub constructs of quality service because it’s different from direct determinants of quality service, other than this is necessary for consumer perception of extra ordinary quality service (Schembri & Sandberg, 2002) sum up quality service based on three models:

1. Perceived service quality (Gronroos, 1993; Ghobadian, 1994)

2. Gap analysis (Parasuraman et al., 1985; Zeithaml, Parasuraman & Berry, 1990)

3. By combining above two different schools of thoughts (models), we found a new model called dynamic process model. By using this model we measure the indirect relation of all service dimensions. Which are difficult to measure directly (Zeithaml, Parasuraman & Berry, 1990)

It is also clear that customer come up to the mutual view that service quality dimensions of responsiveness and tangibility are interlinked and shows partial and negative outcomes. Summing it up it can be concluded form the results that overall Service Quality of Pizza Hutt falls in between a moderate to low (customer perspective) service style as it confirms to the service quality requirements as mentioned in literature.

**Employees Perspective**

In the response to Reliability dimension of Service Quality, an overall positive response was given by the managers/employees proving that Pizza Hutt. The service quality is used to find the employee loyalty and internal customer satisfaction on service quality scale (Ravichandran et al., 2010; Rahaman, Abdullah & Rahman, 2011). The employees of Pizza Hutt are of the opinion that they fill in up to the standards of Tangibility. For Tangibility, (Swan & Comb, 1976) found two constructs for perceived performance of a product or a service: Expressive performance and Instrumental performance. Instrumental performance express the tangible distinctiveness of a product (Gronroos, 1983) while Expressive performance express the psychological distinctiveness of a product and very much a like functional construct. More like (Gronroos, 1983; Swan & Comb, 1976) express that for internal customer satisfaction, instrumental performance is somehow necessary but it’s not sufficient Results show that employees in Pizza Hutt are of the view that they are sternly internal customer focused. (Swan & Comb, 1976) found two constructs for perceived performance of a product or a service: Expressive performance and Instrumental performance. Instrumental performance express the tangible distinctiveness of a product (Gronroos, 1983) while Expressive performance express the psychological distinctiveness of a product and very much a like functional construct. More like (Gronroos, 1983; Swan & Comb, 1976) express that for customer satisfaction, instrumental performance is somehow necessary but it’s not sufficient. From employer of Pizza Hut assurance (assures courtesy to customer and built a relationship of trust); the last construct is empathy (customization or individual attention to every customer). It is also clear that employees come up to the mutual view that service quality dimensions of responsiveness and tangibility are fully met as they are rapid to customer’s queries providing fast and efficient deliveries. Summing it up it can be concluded form the results that overall Service Quality of Pizza Hutt falls in between a high service style as it confirms to the service quality requirements as mentioned in literature.
## Findings

<table>
<thead>
<tr>
<th>Topic</th>
<th>Findings</th>
<th>Basic conclusion</th>
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<tbody>
<tr>
<td>Reliability</td>
<td>Findings reveal that instrument 2 and 3 not directly related to reliability. These should be lies in tangibility.</td>
<td>Customers intermingle the construct of reliability and Tangibility, while employees are satisfied and highly rated</td>
</tr>
<tr>
<td>Tangibility</td>
<td>All tangible facets very much represent the tangibility of service quality.</td>
<td>Customers intermingle the construct of reliability and Tangibility, while employees are satisfied and highly rated</td>
</tr>
<tr>
<td>Assurance</td>
<td>In this section we check the proposition 1, which depict that quality service assure by customer</td>
<td>It shows partial result.</td>
</tr>
<tr>
<td>Empathy</td>
<td>The third proposition also proved by farmer (1988): both perception and expectation experiential state of mind instead of reality.</td>
<td>Empathy shows partial result</td>
</tr>
<tr>
<td>Responsiveness</td>
<td>The second proposition, have not any approval from the literature.</td>
<td>Majority of customers and employees agreed</td>
</tr>
</tbody>
</table>

## Conclusion

One of a qualitative study, break the statement and using the theory of Oliver’s and Rust 1994, expressed quality perception is depend on consumer theory assessment of different variables of service measure (1)The employer-customer dealings (Gronroos’s quality function), (2) the environmental factor of service (Parasuraman et al’s tangibles dimension), and (3) the consequence (Gronroos’s outcome (Gronroos’s systematical values). By combining above two different schools of thoughts (models), we found a new model called dynamic process model. During comparison with perceived service quality model from the Nordic School (Gronroos 1993; Ghobadian, 1994) and the GAP Analysis model from the North American, School (Parasuraman et al., 1985; 1988; Boulding et al., 1993), we contribute the new model named Dynamic Process model. Dynamic process model is the combination of both American schools. The main purpose of this model is to measure the uncertain nature of customer perception. To sum up Schembri and Sandberg, customer’s primary focus on what they perceive instead of expectation. The first dimension is Tangibility. The maximum view of customers about this constructs show partial result, while employees give it high to moderate (Gronroos’s technical quality) according to Gronroo’s most of the time customer give importance to perceived service quality. Is the strong relationship of trust and care between management and customer of Pizza Hut? Overall it shows partial result. (Oakland, 2005; and Kandampully et al., 2001) conducted ). (Oakland, 2005; and Kandampully et al., 2001) conducted the research and found that quality service would only be realized when organization gave power to their internal customer. Because internal satisfied customer bring more customer for the organization (Lovelock et al., 2005). The first construct is Tangibility (which include tangible assets like people, equipment) reliability
(individual ability to perform a task effectively) next is responsiveness which means (it’s the responsibility of organization to listen internal and external customers problem) the next dimension is assurance (assure customer strong relation of trust), empathy (gave individual attention to every customer). Only one customer satisfied out of 4 customers (Oakland., 2005). Most of the customers intermingle the dimensions named Responsiveness and Empathy. Finally it is concluded two dimensions of service quality (both customer and employee perspective) named: Tangibility and Responsiveness, demonstrated high to moderate outcome while remaining depict partial and negative result.

Limitations and Recommendation

The first and foremost limitation of our study is time constraint. Because it is conducted only one semester duration. Second factor which create an obstacle is taking only five dimensions of service quality. And third limitation factor, it is only conducted in food industry. For further research, the study should be conducted longitudinal. New researcher should choose some other factors other than customer satisfaction and quality service. And research should be implemented on other fields or sectors like banks, telecommunication etc. Because this case study only present the information of pizza hut. To collect more valid data, it’s necessary to implement other sectors as well. The new researchers should take other manufacturing quality dimensions instead of service quality

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