

# [The food service industry | analysis](https://assignbuster.com/the-food-service-industry-analysis/)

## 3. 1 An Introduction to the food service Industry

The purpose of this chapter is to critically review the literature relating to the food service industry and its position and attributes in order to gain customers’ perceptions. The review starts with the role of food service and investigation into the food and beverage operations. Subsequently, it considers service quality points where dimensions such as expectance and perception and an illustration of a service quality model are explored. In addition, an overview is formed of food and beverage service employment and important points are made regarding food quality and influences on consumer expectation and perception. Furthermore, sections such us menu planning and meal experience are included to enrich the research and the chapter finishes with environmental impacts being taken into consideration.

## 3. 2 The role of food service

The provision of food and beverage services (Davis et al. 1999) and eating away from home are increasing and there is widening diversity in the nature and type of food and beverage on offer (Lillicrap et al. 2002). In addition, conference organisers are very familiar with the need for high quality food and beverage service within venues (McCabe et al. 2000).

There are many reasons for clients normally wishing to include a food service function in conferences and meetings. Shock and Stefanelli (1992, p. 132) in McCabe et al. (2000) have suggested several reasons such as:

to create an image

to provide an opportunity for interaction and networking

to present a person, product

to refresh conference attendees and sharpen their attention

to provide an interested audience

to keep delegates interested in other non-food activities

to increase attendance at conferences

Food and beverage service is the fundamental relation between menu, beverage, and other services on offer in an establishment, and the customers (Foskett et al. 2008). The food and beverage function is characterised both by its diversity and by the size of the event; for example, conference, meetings, exhibition and business events (Davis and Stone 1991). Additionally, it can be used as an effective tool to satisfy attendees and build attendance because it empowers an attendee’s sensory memory of an event (Kim et. al. 2009).

It is a significant and critical part of conference operations and it is responsible for a high percentage of revenue for the venue (McCabe et al. 2000). In the past, food and beverage service was not important for conference centres; however, whenever a conference or meeting is organised these days, food and beverage services play a fundamental role in the decision-making (Meetingnet 2002, p. 35).

Various groups and function venues dynamically search more for group business as groups can be serviced with minimal costs and within particular times (Davis et al. 1999). Arranging an efficient food and beverage service for groups and functions can sometimes be very challenging. In many instances, groups want very specific items, at very specific times and require special menus, or even an out-of-hours service (McCabe et al. 2000).

## 3. 2. 1 The food and beverage operations

For a particular food and beverage operation, the choices of how the food and beverage service is designed, planned, undertaken and controlled are made and need to take into consideration a number of organisational variables (Foskett et al. 2008). Figure 4 shows the variables that a food and beverage operation has to take into account.

## Figure 4: Food and beverage operations.

Source: Adapted from Foskett et al. 2008.

A food and catering service in the conference industry is characterised as function catering and it is therefore described as food and beverage service at a specific time and place, for a specified number of people, to an arranged menu and price (Davis and Stone 1991; Foskett et al. 2008).

There are various function events ranging from providing a bar in a reception area where delegates for a conference assemble before their meeting, to provision of large formal banquets for over 1000 people where six to eight courses are served (Davis et al. 1999).

## 3. 3 Service quality concept

The concept of service can be explained as an interaction between employees and customers (Ball et al. 2003). In this context, service quality characterises the level of service delivered by operations (Sasser et al. 1982; Johns et al. 1994; Jones and Pizam 1993). It is almost defined in terms of a customer’s perception of expected quality and experienced quality (Brown et al. 1993). However, service quality is a complex concept and generally needs more than one model to explain it (Johns 1996). Many researches make an effort to define service quality and they usually focus on quality service and how it reaches the customers’ needs (Walker 1990).

Service quality can be described as the difference between a customer’s expectation and distinguished performance (Lovelock and Wright 1999; Juwaheer and Ross 2003). Therefore, service providers need to explore ways to increase productivity, which rely on objectives and goals to be achieved for the service, including quality. Product quality usually rests in the eyes of customers, particularly in a service industry. However the criterion used by customers to evaluate service quality might be complex and difficult to describe, particularly for services with high labour content because performance of labour can be different from producer to producer and each customer can perceive it differently (Berry et al. 1990). It is also measured according to the level and direction of the difference between experience and perception (Sasser et al. 1982; Gronoors 1984).

Moreover, Brogowicz et al. (1990) states that perceived service quality can be viewed external to the actual operation between customers and servicer provider. In addition, Wyckoff (1992) argues that service quality is the level of excellence planned to meet a customer’s requirements. Meeting or exceeding a customer’s expectation is the means to ensure good service quality. Service performance can be judged as low or high quality by customers comparing it with their expectation (Parasuraman et al. 1988).

Customers have a wide range of choices regarding food service businesses. From many years of dining experience, customers’ expectations of service quality have increased and the food and beverage industry is competing to extend its market share (Raajpoot 2004). Furthermore, in the present market place, service quality is known as one of the significant aspects in expanding and retaining successful relationships (Svensson 2002).

Most organisations and managers now realise that customers’ satisfaction can generate long-term success in the market they control, which not only includes customers but also competitors, regulatory government agencies and the overall marketing environment (Kandampully et al. 2001). Therefore, research can be conducted to identify what creates and retains a customer’s satisfaction and the ways in which to evaluate service quality.

## 3. 4 Dimensions of service quality

The intangibility concerning services make it more complicated for consumers to evaluate than product quality because they cannot be stored or held. Services are complex to assess until after they have been performed and, even then, it is still difficult. However, service quality can be observed as a measure of the quality of the delivered service equivalent to a customer’s expectations (Lewis and Booms 1983).

Parasuraman et al. (1985) developed a well-known research model concerning service quality in order to recognise factors that consumers perceive about service quality. The research results revealed general criteria as the ten principal dimensions of service quality, commonly known as SERVQUAL dimensions in order for customers to judge an organisation’s service quality. Figure 5 illustrates those ten factors.

## Figure 5: The ten principal dimensions.

Source: Adapted from Parasuraman et al. 1985.

Initially, the research proposed 22 statements to identify a consumer’s perception and expectation of service quality. Secondly, those statements represent the ten determinants of service quality illustrated in figure 5 (Parasuraman et al. 1988). Consequently, service quality emerges from comparison of the expected service with perception of the received service. The model has been adapted to reflect conference meals. Development of this model concerning service quality, which is known as the service delivered, suggests that expected service is influenced by three key criteria, which are marketing/service package, personal needs and desires, and past conference meals (Parasuraman et al. 1990). In this research, the initial service quality has been adapted to the food service function in the conference sector. Figure 6 will demonstrate the service quality process to measure consumers’ expected service and perceived service quality.

## Figure 6: Service Quality Model to Conference Food Function

Source: Adapted from McCabe et al. 2000; Parasuraman et al. 1985.

Even so, a model has been suggested to conceptualise service quality, with gaps representing the problem associated with the difference between processes to assess costumer’s expectation and perception of the food providers’ performance (Parasuraman et al., 1991).

GAP 1: The procedural gap

The first gap is the difference between what management believes customers want and what customers really asked for.

GAP 2: The understanding gap

The second gap is the difference between a customer’s expectations and the manager’s, as perceived from a customer’s view point.

GAP 3: The behavioural gap

The service delivered is different from the service specification.

GAP 4: The promotional gap

The difference between what has been promised by marketing communication activities and the actual service delivered.

GAP 5: The perception gap

The level of service perceived by customers diverges from the service actually provided.

The model helps catering managers recognise customers’ understanding and offers a clear perspective to managers who require to improve the service quality provided by their service process. Consequently, managers gain knowledge to improve their service quality, and understand their customers’ expectations and make then pleased, which can promote a successful result to a conference meal service (McCabe et al. 2000; Rogers 2008; Zeithaml et al. 1990).

## 3. 4. 1 Expectance and Perception of service quality

Customers translate their needs into a series of expectances of the service or product that stand on their ability to satisfy an assured or implicit need. If the food function meets and exceeds these expectations, then the customers will feel satisfied and will feel that they have received ‘ quality’ (Parasuraman et al. 1985 in Davis et al. 1999). However, if the food function does not meet their expectation, then there is a gap between the customer’s expectations and the perceived characteristics of the service and quality will not have been provided (Davis and Stone 1991).

Customers have different backgrounds which influence his or her perception (Olsen et al. 1998). Service delivery is variable and difficult to measure because of the individual character of the contact between customer and the service provider (Lashley and Lee-Ross 2003). Moreover, these needs become a series of expectations for customers such as the type of food they desire, how they would like to be greeted and how much they are prepared to pay (Lockwood et al. 1996).

In addition, culture, mood and timing, combined with the customer’s previous experience, can effect on the way service is perceived (Walker 1990). It is understandable that successful service providers will depend on the individual service delivered, being able to interpret the customers’ requirements and adapting the service delivered to their desire (Lashley and Lee-Ross 2003). If the customers’ expectations are met or exceeded, they will be satisfied and will have a quality experience (Lockwood et al. 1996).

Service providers seem to be more concerned about a customer’s expectance and the service delivered; it is important to take this into consideration if there is a mismatch between service delivered and what is expected because customers are less likely to return (Jones 1989).

## 2. 4. 2 Customer expectations

Customer expectations are the required level of performance that customers require from a service and are also based on how well service providers are able to fulfil customer needs and desires (Westbrook and Reilly 1983; Woodruff 1987). Theoretical explanations suggest that the expectance theory shows that people are influenced by the expected result of an action (Mullins 2007). It can drive consumer behaviour (Solomon et al. 2006). Figure 7 illustrates the four main criteria to meet a customer’s expectations.

## Figure 7: Customers’ expectation Model

Source: Adapted from Martin 2003.

It plays a central role in understanding the evaluation of service quality (Oliver 1980). A range of methods explaining the concept of customer satisfaction have been proposed with each theory being based on different foundations. The common conceptual definition is based on the expectancy theory, which states that customer expectations are predictions created by the customer regarding what they believe will be the result of a service provided or exchanged (Clow et al. 1997). The models of service quality and customers’ expectation (see Figure 7) stress the role of expectations.

As a result, food service providers should not only meet the customer’s expectations but also exceed them. Even so, it should be evidenced that exceeding customer expectations by a very high level is both profitable and dynamic but it will also increase cost and customers will have even higher expectations when they repurchase (Olsen 1996).

## 2. 4. 3 Customer Expectancy disconfirmation

Customer beliefs about product/service performance are based on past experiences that involve a certain level of quality (Solomon 2006). The expectancy disconfirmation model refers to pre-event expectations being about anticipated performance of the service/product and post-event perceptions are the customers’ thoughts about how well the service/product has been performed (Blythe 2008; Evans 2009).

Disconfirmation characterises the differences between expectations and perceptions Evans 2009). It can be divided into either positive disconfirmation where the service/product performs better than expected or negative disconfirmation where the product performs worse than expected (Blythe 2008).

## 2. 4. 4 Customer perceptions

Customer perceptions play a vital role in the concept of service quality. Perceptions are customers’ beliefs when they receive and experience service and explain how customers perceive service and how they evaluate their feelings. Theoretical explanations propose that perception is the process of obtaining and interpreting information from the environment to provide order and significance impression (Wright and Taylor 1994) but the overall perception is complex to analyse (Blythe 2008). Figure 8 illustrates the perception process.

## Figure 8: Customers’ perception process.

Source: Blythe, 2008.

Additionally, it is important that organisations and managers understand the criteria that customers use to measure service quality (Gale 1994). Generally, customers do not perceive circumstances in the same way because they comprise different needs, objectives and past experiences that persuade their expectations (Seaton 1996).

Perceived quality is highly connected with service quality and customer satisfaction (Ndhlovu and Senguder 2002); high perception of service value can result in greater satisfaction and intentions to return (Tam 2000). In the food service industry, customers evaluate and compare an establishment with its competitors and that evaluation is based on satisfaction, whereby they observe and evaluate service quality from employees, product quality and price (Lewis 1984; Johns 1996).

## 3. 5 Food and beverage service employment

People working in food and beverage service are the main point of contact between customers and the establishment (Foskett et al. 2008). It is an important role in a profession with increasing national and international status (Lillicrap et al. 2002).

According to Hospitality service industry profile 2009 figures regarding the hospitality industry according to The Labour Force Survey, support that, in the UK, 377. 200 people are employed in the industry as their main job, 43% are employed as their second job. Moreover, People 1st (2009a) registered 56 per cent of the labour force being employed on a full time basis and 44% percent working part time. The research also suggests that conference and events is the largest employer with 13, 771 employees but this figure is not included in the figure above. While it is difficult to assess the number of people employed in the industry, it is obvious that growth in employment in this area and associated sectors is occurring. The innovative industries have seen a rise of 400, 000 employees in an eight years period (Bowdin and Pherson 2006).

The hospitality, leisure, travel and tourism sectors are the fastest growing in the UK, with standard growth in the sectors sitting at 7% per cent over the last 5% years, compared with a 4% per cent growth rate across the economy as a whole. Furthermore, it is predicted that 15, 000 new jobs will be created in these sectors between 2002 and 2012 (Bowdin and Pherson 2006).

From the Food Service Industry Profile 2009 in People 1st (2009b), research shows that, according to the labour force survey 2007/08, 183, 902 people work in food service establishments in the UK, of which 67% per cent are women. They also support that 15% per cent of those people working in the food and service industry are from black and ethnic minority groups. Furthermore, Figure 9 shows the employment profile by gender and full and part time employment in the food service industry:

## Figure 9: Employment by gender and full and part time working.

Source: People 1st 2009.

Additional data from the research reveals the industry management age profile, which shows it is relatively old when compared to other industries within the hospitality, leisure, travel and tourism sector. More than 52% per cent are aged between 30 and 49 compared to an average of 35% percent across the food and beverage sector. A further 27% per cent are aged over 50 while, across the sector, this figure stands at 17% per cent (People 1st 2009b).

## 3. 6 The concepts of food quality

Food quality is generally distinguished from the concept of ‘ value’. It is understandable that food is a core product in any food establishment and perception of food quality is part of the cognitive process, which influences satisfaction/dissatisfaction as well as “ need fulfilment, expectancy affirmation, equity/inequity, as well as regret and unapprised cognition (Frewer et al. 2001).

A high standard of service and quality of food with a more sophisticated atmosphere can be found in a coffee shop or speciality restaurant; higher priced á la carte restaurant with more extensive menu and one or two cocktail bars in the hotel (Davis et al. 1999; Edwards and Johns 1994). In conference centres, where function meals require professionalism in preparing, planning and producing; knowledge of the diners/customers and their expectations, desires and expectance of conference meals are other crucial factors of food quality (Gustafson et al. 2005).

Examination of customer satisfaction finds that food quality is one of the top nine factors tested that had a considerable effect on customers’ intentions to return for food service. Likewise, the crucial factor when selecting a food service establishment is the quality of the food (Cullen 2005).

## 3. 7 Importance of food quality

Research carried out by Kim et al. (2009) analysed the influence of the conference food function on attendee satisfaction and shows that the quality of food content is the leading determinant of an attendee’s satisfaction with the food function performance.

However, consumers are increasingly becoming knowledgeable and sophisticated about food; they usually expect and require food with genuine quality. If companies are prepared to respond to these demands and reflect them in their marketing strategies, the bottom line quality will appear for itself (Wheelock 1992).

The term ‘ quality’ is generally described rather differently between customers and the provider (Wieske 1981) and normally includes items such as the food variety, quality of ingredients, nutrition, portion size and price, which are appropriate to meet customers’ desires and nutritional requirements and contribute to the pleasure of eating out (Daget 1988).

## 3. 7. 1 Customers’ role of food quality

Food is not only a basic need of life but it is a survival necessity. Eating is a part of the activities in the daily routine where there is variation, life style, imagination and imagination in food preparation and presentation (Wieske 1981). With food and service products, price and variety can be widely provided. In general, customers are prepared to pay more for what they recognize to be a high quality service or product (Wheelock 1992).

Quality of food can be a relatively complex issue and the food quality approach engages the natural sciences based on measurability of food quality characteristics. Those product and service characteristics are classified by customer’s researches, transforming those in natural part of the product or service definition and can be conveyed to the next link to improve process on those processes with right specification related to ingredients, manufacture procedures, packing and service standards (Daget 1988; Becker 2000).

Specifications are the basis of product knowledge transmitted to all those concerned with the service or product. Any failure to recognise this will inevitably confuse those who face the problem of putting the design into production (Daget 1988). The product knowledge and quality expectation is powerfully influenced both by the company’s marketing and advertisements as well as by how it can be demonstrated and provided in the trade (Wieske 1981).

## 3. 7. 2 Influence of food sensory aspects on customers

Food providers can be even less confident about how much food contributes to an individual’s meal experience (Edwards and Johns, 1994). Experienced quality includes all sorts of sensory pleasures, particularly taste, and it is influenced in many ways; for instance, the product itself and past experience, which applies to both food quality and mood of the customer (Frewer et al. 2001).

Despite sensory quality of food being just a part of the customer’s eating experience, it is very vital for food development, market testing and quality control (Nick et al. 1994). Consumers can use their sensory dimension and the freshness of food to evaluate food service quality or perceived value. A successful food service function is the one that ensures providence of appearance, aroma, taste, temperature and texture, as well as customer expectations (Jones 2002; Lee et al. 2004). It is important to note that physical quality of food is a vital part of customer satisfaction. Sensory aspects of food quality are perceived by numerous items (Jones 2002), as illustrated in Table 4.

## Table 4: Food sensory aspects

Senses

Examples

## Sight, Appearance

Colour, visual texture, portion size, apparent freshness and purity;

## Smell

Aroma, some part of flavour which is actually perceived through the olfactory area;

## Taste

Combinations of sweetness, sourness, saltiness and bitterness to create unique flavour of food;

## Kinaesthetic

Sense of muscular movement such as chewiness and tenderness;

## Touch, Texture

Smoothness, dryness, lumps, fluid or solid including rare, middle or well-done cooking level of steak;

## Hearing

Some foods are recognised by a crackle during chewing;

## Temperature

Serving with low temperature or high temperature depending on type of meal or sweet.

Source: Jones, 2002.

## 3. 7. 3 The influence of food sensory attributes on customers

The sensory attributes of food play an important role in its overall acceptance process. For example, it has been well acknowledged that there is a specific design for the growth of pleasantness/unpleasantness as a function of the strength of food-related sensory attributes. It makes clear that customers’ expectations about the sensory properties of food have an influential effect on perceived food appearance (Thomson 1996).

According to many researches into the relative influence of food quality on customer satisfaction and behaviour (Johns and Pine 2002), the sensory dimensions may be a core quality and seen as a fundamental role to improve perceived service value in a food service context (Swarbrook and Horner 1999). Additionally, the sensory attributes also play a key role in the customer’s attempt to assess a particular food function performance (Kivela et al. 1999; Lee et al. 2004).

Research conducted by Hester and Harrison (2001) reveals that the sensory attributes can be transformed into a perception of food quality by the customers that may lead to repeat purchase. In addition, a better perception of customers permits food providers to meet their needs and offer a wide range of nutritious, delicious, attractive and good value products.

## 3. 7. 4 The importance of appearance, flavour and texture

Appearance is the primary sensory factor that influences customers to be attracted to food (Cardello 1994; Lawless 2000). It expects quality and motivates customers’ expectations relating to other sensory attributes (Lawless 2000). It comprises essential sensory attributes of the food such as its colour, shape and size as well as more compounds attributes such as translucency, gloss and surface texture (Cardello 1994).

Colour often dominates customers’ expectations concerning flavour and changes in shape or colour can reduce the sense of sameness. Astounding colours might possibly influence caution until the food is determined to be safe, palatable, and nutritious (Lawless 2000). While the visual appearance of the food is a likely influence on acceptability, packaging related to shape, colour, design, associated logo, symbols, brand item; and names is also significant (Cardello 1994).

Much research has been conducted concerning important specific attributes as important sensory factors involving acceptability of food variety and issues from customers’ knowledge of food texture is essential to understanding its overall contribution to food acceptance (Schutz and Wahl 1981). Furthermore, most researches conducted with food consumers show that flavours are more often mentioned than texture as a reason for liking or disliking food. On the other hand, other studies have indicated that texture is mentioned more often as a reason for disliking a food than as a reason for liking it (Cardello 1996).

Many others attributes have been taken into consideration such as gender, socio-economic status and geographical location and were factors connected to awareness of texture. Women choose to be more texture aware than men, an attribute joint by people in high socio-economic classes (Schutz and Wahl 1981). Despite the fact that the texture of food products can have a profound effect on perceived acceptability, an even greater influence is applied by the flavour of food (Cardello 1994).

## 3. 7. 5 Expectation and perception of food quality

Food services are characterised basically by experience and by acceptable quality dimensions. For most quality dimensions, customers cannot recognize quality before or during the process; however, they have to create a quality expectation, which is called quality indication. There are generally two quality indications outlining the expectations, which are extrinsic quality and intrinsic quality (Frewer et al. 2001).

Extrinsic quality factors refer to everything including price of the product or the brand and includes atmosphere and service quality of staff (Frewer et al. 2001). Measurement of satisfaction factors becomes more critical because customer expectations and perceptions of products change. Customer product expectations are expected to increase along with their expectations of money value (Edwards and Johns 1994). Research conducted by Dube and Renaghan (1994) recognises the importance to focus on the relationship between satisfaction and the frequency of repeat purchase. In addition, they suggest different ways to encourage repeat purchase based on aspects such as tasty food, atmosphere, attentive staff, helpful staff, consistent food, menu variety and waiting time.

In the food service industry, intrinsic quality refers to physical characteristics of the product or service; for example, when the taste or the appearance is inferred from the colour or other aspects. Including characteristic such us appearance and brand knowledge (Frewer et al. 2001) staff appearance and atmosphere of the dining hall (Kim et al. 2009). In addition, customers’ meal acceptance normally is not only influenced by the food quality itself (intrinsic quality) but customers may also rely on previous meal experiences and value expectation (Hartwell 2004).

## 3. 8 Menu planning

The aim of a food menu or beverage list is to inform customers of what is available to them (Davis et al. 1999) in an apparently random fashion with the food being raw, prepared or cooked. Individual menus came into use early in the nineteenth century and, as the twentieth century advanced and people settled around the world, the food service industry began to introduce different styles of food and service (Foskett et al. 2008).

Function catering venues normally work on menu planning based on financial and marketing policies for the different types of menu offered by a function organisation (Davis et al. 1999). Usually, those venues adopt cyclical menus that are compiled to cover a given period of time: months, or seasonal. The length of the cycle is determined by management strategies (Foskett et al. 2008). Table 5 shows the advantages and disadvantages of cyclical menus.

## Table 5: Advantages and disadvantages of cyclical menus

## ADVANTAGES

## DISADVANTAGES

Cyclical menus save time by removing the daily or weekly task of compiling menus, although they may require slight alterations for the next period.

When used in association with cook-freeze operations, it is possible to produce the entire number of portions of each item to last the whole cycle, having determined that the standardised recipes are correct.

They give greater efficiency in time and labour.

They can cut down on the number of commodities held in stock, and can assist in planning storage requirements.

When used in establishments with a captive clientele, the cycle has to be long enough so that customers do not get bored with the repetit