Improving Customer Service in Restaurants

An Honors Thesis (HONRS 499)

by

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Purpose of Thesis

This thesis was written to gather published information and come up with a collection of examples of successful restaurants. These operations provide better customer service and therefore have satisfied customers that often return for another meal. The importance of customer service has increased greatly in the last several years and more restaurants are putting forth effort in an attempt to be a more favorable place to eat than their competitors. This thesis will offer the reader some ideas on how to focus on customer service.

Acknowledgment

Many thanks go to Chef Altman for always cheerfully finding time to look over notes, outlines, and rough drafts throughout the semester and offering her helpful suggestions.
In order to write this thesis, I have recently read a wide variety of material about customer service and how to keep guests satisfied and wanting to return. My focus has been on restaurants and the majority of my information comes from restaurant related journals and other articles and books dealing with service. I have come across numerous examples of restaurants whose success comes as a result of their listening to customers’ wants and then working to please them.

Many people have their own personal definition of what customer service is and ways that it can be accomplished. Jim Sullivan defines service as “the manner in which the customer is treated, a perceived value based on type of product, price, environment, and manner” (Sullivan, 1991, p. 16). Customer service has also been defined as “Smiling, getting customers’ names right and remembering their likes and dislikes” by one veteran director (Schechter, 1994). After looking at many ideas and examples of customer service, I agree with both of these definitions and believe it to be the way that a customer is treated while utilizing a business, and that only excellent service involves special things like remembering customers’ names and pleasantly exceeding their expectations.

Two things that organizations offer are products and service. Some offer one or the other while others offer both. Products take up space, can be inventoried, and last for a certain period of time. Service does not exist until it is called for, and unlike a product, it can not be sampled (Zemke and Schaaf, 1989). It can not be “recalled,” and its delivery usually requires human interaction (Albrecht & Zemke, 1985).
There are two general categories where service is an important factor. One is where the main feature is a type of service, such as a bank or travel agency, and the other is where customer service is provided around a product such as in its ordering or repairing. Service is extremely important in both cases as it can be the reason for choosing one company over another when all other factors appear to be equal (Finch, 1994).

Buck Rogers, a former marketing vice president at IBM once said “If you get satisfactory service in this country, from your corner laundromat, your local hardware store, or your friendly computer company, it is a bloody miracle” (Living for Your Customers, 1984). Tom Peters, a well-known expert in the area of management and service, uses this line often in front of audiences and they agree. One of the smaller groups of people that believe that service has been improving is the wealthier customers who can afford to frequently visit the finer restaurants that charge a high price for meals in order to adequately pay for better recruiting and service training (Bernstein, 1994).

Ron Zemke and Dick Schaaf have written that people tend to believe that service in America is very low, although the authors do not believe it (1989). It has been bad in the past because of several possible reasons: Times quickly change and it is often difficult for organizations including restaurants to keep up with what the customers want. Service jobs have been given a bad image. The people working them have been viewed as servants, very unlike the American dream. People working jobs that are other than what they would like to be doing may do their jobs poorly. In the past, service was believed to be something only thought about by front-line employees, not management, neither of whom was well trained in the area. The people that take the lower-paid front-
line service jobs are generally the younger and lower-skilled workers, who often have very little commitment to their jobs.

Recently, more is being done to change some of these reasons for poor service. For example, market research helps restaurants keep up with new trends and customer desires, and managers are more aware than ever about customer service and share this information with their employees. A greater number of restaurants are striving to provide superior customer service. (Zemke and Schaaf, 1989). It has become the number one priority in food service coast to coast (Schechter, 1994).

From my recent reading of articles written about customer service in restaurants, I have found ways that certain restaurants achieve higher service standards than their competitors. Their success comes from focusing on a particular part of customer service such as gaining first hand experiences of what a customer feels and updating their image and menu selection when people tire of the same old look and food choices.

Taco Bell does various things in order to build a long-term understanding relationship with their guests. Each of their guest relations representatives who speaks with customers on the telephone has an excellent understanding of what most of those problems may be all about. They have all worked as a Taco Bell employee, taking orders, preparing food, and experiencing first-hand the store in operation. They also know how store personnel have been trained to respond to various situations and this helps them to respond to the customer complaints in a knowledgeable way. The customer service representatives also are equipped with a five-level matrix including specific areas in products and service that a customer may have had a problem with. Using this matrix, they can quickly give a satisfying answer to each customer by consulting their Taco Bell
handbook, which is updated regularly. The goal is to do more than resolve the issue at hand during each phone call. Each representative also has the capabilities to do special things for the customer such as send a letter or coupon or have a manager give them a call back. They are committed to motivate the guest to return to Taco Bell because on their next visit, they will be given special attention (Epstein, 1996).

Dunkin’ Donuts, in recent years, had been losing popularity and customers much due to America’s change in desire from donuts to other breakfast options such as muffins and bagels. Other fast food restaurants including McDonald’s began offering more variety and bagel chains were also starting to take over. After a consumer study that rated Dunkin donuts high on food, but low on service, atmosphere, and store design, top management decided it was time to change some things. According to Will Kussell, the chain’s president, the new operating philosophy calls for changing Dunkin’ Donuts’ image of ‘America’s Donut Shop’ to ‘America’s Best Coffee and Baked Goods Retailer.’ The customer has come to expect more than donuts and realizing that, top management knew that they needed to change not only their menu, but also things like the atmosphere and store design. Dunkin’ Donuts stores are being renovated throughout the country, getting a new raisin color exterior and more comfortable seating that will appeal to customers. They are also offering a wider variety of coffee and healthier food choices (Benezra, 1997).

In the late 1980’s, Zemke and Schaaf (1989) made a list of what they believe to be some of the best 101 American organizations regarding customer service, chosen because of their good examples of noteworthy service. In their categories of Restaurants and Fast Food, they chose Bob Evans, McDonald’s, and Wendy’s as some of the leaders. These
chosen restaurants not only meet the customer expectations, but exceed them by either keeping their operations simple or giving extra perks that their customers appreciate. McDonald’s service strategy is to offer speed, efficiency, a low price, and convenience. The food is prepared in the same high quality manner all over the world. Also, the service level and the friendly atmosphere rarely vary among restaurants (Albrecht and Zemke, 1985). According to Zemke and Schaaf, the things that McDonald’s focuses on are quality, service, cleanliness, and value (1989). Tom Peters believes that a large portion of McDonald’s success is that they are “one of the best wiper-uppers of coffee stains” (Living for Your Customers, 1984).

Bob Evans, a family restaurant, is different from others, starting with their greeting when the customer first walks through the door. They will probably hear “Welcome to Bob Evans” instead of the common “How many in your party?” or “Smoking or non?” After the customers are led to a seat by the friendly host or hostess, they notice that the menu and atmosphere are simple, yet wholesome. Bob Evans managers spend more time than others on the floor with their customers, rather than in an office, to see that things are going well. At Bob Evans, they listen to what their customers want. For example, they once replaced their cream pitchers on the tables with individual packages of cream, similar to what most other restaurants have. Very soon, the regular customers called, wrote, and complained about missing the cream pitchers that they had come to expect at Bob Evans. Within a week, the restaurant had ordered new pitchers to replace the ones that they had thrown away and the customers were once again happy (Zemke & Schaaf, 1989).
Wendy’s Old Fashioned Hamburgers might be considered just another of the many fast food burger chains, but it offers additional food and service that makes it unique. Unlike a McDonald’s, which might have eight cash registers to get mass numbers of customers through in a short period of time, Wendy’s has only one line and cash register allowing for more personal attention. Guests will have to wait a little longer, but if they want a hot burger made with fresh, not frozen, beef, that fits their individual tastes, Wendy’s is where they will get it. Their focus is on quality food and service instead of quantity. Another thing that has set Wendy’s apart is their SuperBar introduced in 1987, a buffet that includes Italian and Mexican dishes among other items added to their existing salad bar. It is an added option for those people who want something other than the standard burger and fries. In 1981, they were one of the first fast food restaurants to offer a chicken sandwich, and then in 1983, they added the baked potato to the menu. The additions were made to help cope with inflating beef prices in the early 1980’s and they allowed Wendy’s to get far ahead of the competition in menu expansion, which the customers liked (Farrell, 1989). In 1997, the SuperBars are being taken out because the restaurants are not making money on them. They still continue, however, to add new items to their menu, such as their fresh stuffed pitas, which come in four varieties, including two vegetarian options.

Restaurant managers should be aware of all of the aspects of customer service in order to deeply understand their impact on their business. Such things include communication, employee training, using new technology available, and adapting to meet their needs, possibly even exceeding their expectations. If service has not been a high priority in the past, it is difficult to suddenly incorporate a large number of detailed
concerns into their operation. For the restaurants that are just beginning to focus on customer service, two main things that they must concentrate on are keeping communication open with the customers and then using what is learned to adapt to meet their needs.

Tom Peters says “The number one managerial productivity problem in the United States of America today is managers who are out of touch with their people and out of touch with their customers.” He also says “There are two kinds of companies. There are companies that treat the complaint as a horrible disease to be gotten rid of as quickly as possible. And then there are companies who treat the complaint as the world’s greatest opportunity.” He considers complaints to be the best source of new ideas where customers will clearly say what they do not like about an operation and may tell what they would like to see (Living for Your Customers, 1984).

R. Lee Harris writes in his book “Without continual contact with our customers, how can we truly be tuned in to their needs?” (Harris, 1991, p. 2). Lloyd Finch, (1994) offers three guidelines for communicating with customers: 1) Communicate in customer language: Do not use your organization’s acronyms, technical terms, or slang with customers who may not understand it. They will become easily confused and wish to leave. 2) Make certain the conversation is two way: Do not just give a monologue or it will come across as being too strong. Get the customer involved in expressing his or her situation or needs. 3) Ask questions to get the customer involved and to test for understanding: An example is to say “This can be confusing. Do you have any questions at this point?”
Zemke and Schaaf offer some simple reasons why customers should be listened to. The restaurant experience can be understood from another viewpoint and from that, much of what Tom Peters focuses on is agreed with. Managers can keep informed of customers' changing wants, needs and expectations, and hear their unexpected ideas. Listening to customers is a valuable way to involve them in the business (Zemke and Schaaf, 1989).

"There is no one best way to listen to customers -- and no such thing as paying too much attention to customers' ideas and opinions" (Zemke & Schaaf, 1989, p. 31). Ron Zemke and Dick Schaaf list several possible ways to listen to customers and these include face to face, formal research, front-line contact, and customer hotlines.

- **Face to Face** - This is the simplest way to listen to what customers have to say about the business. When a manager talks with somebody at a desk or even in the dining room during their meal, feedback is quickly given. Spending this informal time with customers is one of the best ways to really get to know some of them and find out how the current operation is working for them. Interviews are one particular method of face to face communication. Depth interviews develop discussion and take about two or three hours. Several people are interviewed at once and asked broad questions such as "What is it like to eat here?" or "When you come here, what really bugs you?" An intercept interview might involve an employee at the exit to ask customers three to four specific questions about how their visit was and then in return offer them ten percent off on their next visit. Opportunity interviews are when the waiter or waitress asks how everything is with the meal shortly after it has been served. Focus
groups are another face to face interaction with customers that allow information on
generalized customer preferences to be learned. Volunteers can be used or a
marketing firm might select a cross section of customers and they will be paid $25-
$75. Focus groups include five to ten people, last one to two hours, and often
refreshments are served. A variety of questions are asked such as open-ended, for
example “What do you like or dislike about coming to this restaurant?” or probe
questions like “Tell me some more about why you said that.” Closed-ended questions
that are responded with yes, no, or other short answer, may also be asked.
Videotaping the sessions is a good idea in order to record exactly what has been said.
Communicologists say that over 55% of a person’s communication is through
nonverbal language such as facial expressions, gestures, and tone of voice. Because
words can only express a percentage of what is trying to be said, face to face
communication is an excellent method to allow thoughts to transfer more accurately

- **Formal Research** - Research helps gain an understanding of the target market.

Surveys are helpful to determine good and bad parts of the visit, what made it that
way and if they would come again based on their experience. Five basic steps are
followed to use a survey: 1) Plan the survey project - specify the objective, define the
information wanted and come up with a list of topics about which to write questions,
and identify the target population. 2) Create the questionnaire - a good length is 20-
30 questions, keep in mind that mailed surveys get a 20-30% average response rate,
one way to increase the response rate is to include a small gift such as a dollar bill
inside the envelope, use multiple choice questions when possible. 3) Collect data - send out the questionnaire with a postage paid return envelope. 4) Process data - discard returned questionnaires that are incomplete or suspicious in some way, organize data preferably into a computer database for a large number of respondents, and decide how you want to look at the information, for example special subpopulations (male versus females, or age groups). 5) Report results - think about how the person receiving the data likes to get information, for example if they just want the final results or if they would like to see all of the details, make an outline for the report (Albrecht & Bradford, 1990). Mystery shoppers are people hired to anonymously visit restaurants as a customer, then provide the restaurant management with a comprehensive report on how the food and service was. Knowing that there may be a mystery shopper in the restaurant may heighten customer service awareness and improve service (Hess, 1997). Marcia Jedd is sent by an audit company to be a mystery shopper, mostly at national or regional restaurant chains. She notices and reports on things such as beverage glasses that remain empty on the tables, ice crystals in the ice cream, receiving the wrong food after ordering, and slow service (Jedd, 1994). Occasionally, establishments hire a market researcher to do work for them such as study demographics of potential customers in the area, so that the efforts can be focused.

- **Front-line Contact** - Employees should be prepared for various situations that might come up. The cashier who collects payment does not usually know what to do when a customer has had a bad experience. They ask “How was everything?” and expect
to hear something similar to “Fine.” If not, they often don’t know what to do and may just routinely say “Have a nice day.” This is one area where employees have a perfect opportunity, if prepared, to learn about problems in the operation and what the employees like and dislike (Albrecht & Bradford, 1990). It is important for all employees, not just the servers, to know the customers. Other people involved in the business must make an effort to spend some time with them. One example is Emerald People’s Utility District which has a summer picnic each year, not only for employees, but also for the customers.

- **Customer Holiness** - Toll free numbers for customers to voice complaints or ideas or get their questions answered is an excellent way for communication to exist between a restaurant and its guests. A survey was conducted by Coeyman in 1996 to see how well twenty restaurant chains handled a complaint of slow service. Most of them had a readily available toll free number for customer service to call which any customer can easily obtain and then tell of his or her experience. The communication goes farther than that, though. The surveyors kept track of who answered the phone (receptionist, customer service representative, or machine) and how pleasant they were to talk to. Also included in this article is what kind of follow-up, if any, occurred. For example, some sent a letter, coupons for a free meal at their store, or a call back from a manager. The twenty stores were each given an overall letter grade based on how easy they were to reach, the pleasantness of the phone call, and what they did to make amends. *Jack in the Box* received an A+ because after the ease of
getting through to a friendly and well-trained customer service representative, they received a voucher for a free meal and a card with an apology the next business day.

More often than not, when customers are dissatisfied with service at a restaurant, they never mention it to restaurant management (Scarpa, 1992). Ninety percent of unhappy customers never complain about things like rude treatment and at least 90% of those dissatisfied with the service will not return (Finch, 1994). Upset customers will, however, tell their story to 10-15 people, and will only mention it to 3-5 people if they are exceptionally satisfied with their encounter (Coeyman, 1996). This obviously makes it difficult for restaurant managers to gain a positive image by word of mouth, which is critical in keeping present customers and adding new customers (Hess, 1997). Those people that hear from the unsatisfied customers are going to spread the disappointing story to others, causing a great number of potential customers to never want to enter the restaurant. Only when the customer feels welcome to voice his or her bad feelings to the manager or someone who can direct the complaint, can something positive be accomplished. Often, it is one of the most important ways that managers will learn about certain service flaws in their operation (Rousseau, 1995).

It appears from my reading of experts in this area, that dissatisfied customers may feel awkward or embarrassed if they comment to their server about a problem or ask for a manager. They do not want to cause a scene or make somebody mad. Often, when customers are upset, they don’t mention it to the right people because they do not believe that it can make a difference. A 1987 Gallup Poll that asked 1,045 people why they didn’t return to a given restaurant, indicated that 83% of them stayed away because of poor service (Zemke and Schaaf, 1989). Restaurant operations that offer convenient
ways for people to express their comments and concerns are more successful with their communication with customers and can then more easily adapt to fully satisfy them. It is these people that go to eat at restaurants that allow many people to get a paycheck. If it remains a mystery what they want and are willing to pay for, it is nearly impossible to get them to come in (Harris, 1991).

Once it is known what the customer is expecting from the restaurant, the best way to satisfy them is to exceed their expectations (Knutson, 1988). At Bouley in New York, Chef David Bouley does an exceptional job of pleasing his customers. Over 40% of them request a special meal without even looking at the menu. He is prepared to cook up whatever they would like to eat. Another example comes from Providence, Rhode Island. Al Forno churns ice cream by hand each time it is ordered (Ryan, 1995). Another author wrote of a pleasant restaurant experience he had after a waiter had overheard his conversation with some colleagues while on a trip about wanting to see places in the city. The waiter came back with a helpful magazine guide (Miller, 1994). It is the unexpected perks or knowing that they will be treated better than ever that makes a customer anxious to visit a particular restaurant.

It is important to remember that there are very different expectations for different types of restaurants. In family dining, the customer expects such things as quality food, personal attention, atmosphere, cleanliness, value, and variety. In fast food, the main things that customers want are convenience and quick service. Dana Quillen, publisher of Restaurants and Institutions, wrote about two favorite restaurants of hers that she loves equally, but expects and receives unique service at each one. Everest, the top-rated restaurant in Chicago, is fine-dining, where she can entertain customers or impress
prospective employees. The food is beautifully put together and the service is impeccable. Las Torres is a small Mexican restaurant that has some of the best food that she has ever tasted, offers great service and knowledgeable servers. Here she can talk to colleagues, relax, and have a quick and delicious, inexpensive lunch (Quillen, 1996).

Karl Albrecht and Lawrence Bradford made two lists of customer expectations at a restaurant. The first one is for fine dining and some of the things on it are valet parking, a coat check room, a maitre d’ to greet customers, being able to have a leisurely dinner, and the ability to pay with a credit card. The other list covers expectations at a fast food restaurant. It includes lines moving quickly, being able to get in and eat quickly, inexpensive prices, and being able to pay with cash. Although there are several differences, the items included on both lists are friendly and courteous employees, a clean atmosphere, and food that is prepared properly, presented attractively, and tastes good (1990).

It is the customer’s expectations verses what he or she actually experiences that decides the satisfaction and service quality. People have expectations, or scripts, of what they will do when they go to a restaurant. If it is not followed, there will probably be some sort of dissatisfaction. A script for ordering at a fast food restaurant includes:

- Pull into restaurant parking lot
- Look for place to park
- Enter restaurant and take a moment to look at the menu
- Get in line
- Decide what to eat
• Give order to counter person
• Receive total bill from counter person
• Pay for food
• Watch order assembled on tray
• Receive order
• Get condiments, straws, and napkins
• Find table
• Take food off tray
• Eat meal and drink beverage
• Throw away trash and place tray on shelf provided when leaving restaurant

If this is what the customer is expecting to happen, it should also be what the restaurant’s employees are working for. If not, managers should alter the scripts of employees to match the customers’ expectations (Shoemaker, 1996).

A survey revealed that young customers and older customers have different beliefs of what they consider to be good service. Younger people view speed and convenience as the more important aspects of service while the older generation prefers more personal service and automation (Bernstein, 1994).

Customers are often very interested in convenience, not only from a fast food restaurant, but from other operations such as Maxine’s Seafood Cafe which offers a unique service for its customers. They receive almost half of their take out orders by FAX. These machines have become very popular in recent years and restaurants should be aware of the convenience that they can offer their customers (Kasavana, 1990).
Many customers prefer to eat restaurant food at home. A 1995 National Restaurant Association survey revealed that 83% of table service restaurants with check averages of $8 and up provide carryout meals. The trend of take-out and delivery has been growing. Many restaurant operators believe that customers do not expect as high of quality when getting meals to go, but will offer what the customer desires and do the best that they can to keep the food quality high. Chef Morgan Hull, director of culinary operations for On the Border Grill, a Dallas-based chain, writes reheating instructions to put with the food that gets sent out so that the customer is aware of how to keep it as good as possible (Farkas, 1996).

Restaurants have rules for the staff to follow concerning customers and service. Rules do not apply the same in every situation, so it is a good idea to explain the reasons for rules to your employees and enforce them, but indicate when the guest may be better off without them (Lagreca, 1991). Things can run smoother when front-line servers are empowered to solve problems and deal directly with them and not have to run off and get somebody else to help (Hayes, 1993). Some establishments have a no-reservation policy, but occasionally will allow regular customers to make reservations. Many fine restaurants have a dress code. At Patina in Los Angeles, most people come properly attired, but Chef Joachim Splichal and Manager Christine Splichal do not enforce a dress code because a person who comes in wearing something like cutoff jeans might be a Hollywood producer or other person of high importance (Ryan, 1995). If there is a large snowstorm, it would not be fair or make much sense to turn away the only people who make it to the restaurant if they are not wearing a jacket and tie. Some places have a rule
that parties of two should not be seated at tables for four in order to maximize the number of guests. But when the dining room is close to empty, there does not seem to be any good reason that a couple can not sit at a table with four chairs around it (Lagreca, 1991).

Carolyn Walkup offers several ways for restaurant operators to incorporate various methods of serving their customers better. Some of her suggestions include greeting guests promptly, learning names of regular visitors, offering a comfortable non-smoking waiting area with seats, and providing a physical barrier between smoking and non-smoking sections. The food preferences of special groups such as vegetarians and children should be taken into consideration when planning the menu and all servers should be well educated about the food and wine available. Customers will also appreciate simple things such as filling water glasses and bread baskets promptly. One last tip that Walkup gives is to try to never argue with customers. It costs less to prepare another dinner for an unsatisfied customer than to lose that customer forever (1997).

Customers expect that the people working in the restaurant are knowledgeable about the menu items, but this is not always the case. When Jim Sullivan ordered lunch one day at a casual-theme restaurant in Phoenix and asked what the soup du jour was, the waiter was unsure and went to go find out. When he returned, the waiter proudly said “That means soup of the day, sir!” Jim asked him what the soup of the day was and the waiter had to leave again because he did not know (Sullivan, 1991).

Some establishments do much more than know what is on their menu. Adornetto’s Pizza in Zanesville, Ohio keeps track of birthdays and anniversaries of repeat customers (Townsend, 1991). New technology allows for easier and more accurate methods of keeping records of special occasions of customers. For example, when a
customer calls to make a reservation, the host types the name and date into the system, it indicates that the same person was there last year on the same date to celebrate an anniversary. The host surprises the customer by knowing and acknowledging that he is coming to celebrate an anniversary. New technology also can quietly and electronically let the host know when each table is ready by a color change on the diagram shown on a computer screen. The host can then touch the table on the diagram and activate the pager that the customer is holding. No time is wasted and the customer is efficiently served (Durocher, 1996).

One thing to consider is the area in which the restaurant is located. An example of a restaurant that is sensitive to this is The Olive Garden. Their simple red sauce for pasta varies depending on local tastes. The amount of spices such as basil, oregano and garlic differ and in some places the tomatoes are chunky, while in other areas they are pureed (Townsend, 1991).

According to the Forum Corporation, a Boston-based consulting firm that specializes in customer service, it costs five times more to get a new customer than it does to keep a present customer (Hess, 1997). George Rice, president of Tampa, Florida-based GDR Enterprises and 1994-1995 chairman of the National Restaurant Association’s Educational Foundation believes that the importance of keeping customers is even more crucial than that. He says “There isn’t enough money in the world to re-attract a customer you’ve lost because you failed to meet expectations” (Bernstein, 1994).

As a result of my reading, I have come to the conclusion that communicating with customers and meeting or exceeding their expectations are two of the most important parts of customer service. Keeping customers satisfied is of utmost importance to
everyone because customers are the reason for having a job and they provide the revenue that keeps the organization going. As long as customers are comfortable, happy, and their needs are being met, they will not leave (Finch, 1994). Providing excellent customer service is a win-win situation. Naturally customers love it and at the same time the restaurant staff gets to work in a pleasant atmosphere (Schechter, 1994).

A restaurant operation has an advantage over another type of store because the customers go in to actually buy, and not just browse, like a department store for example (Sullivan, 1991). It is already determined that they want to purchase their meal there, so it is up to the staff to offer excellent customer service while fulfilling their needs. Customers are very willing to pay for a restaurant’s food and service when they enter. If they are treated well, they will gladly return with more money for exchange of another meal (Gunderson, 1996).
References


