

An Analysis of University of Wisconsin-Stout Students
Dining Out Purchasing Preferences Regarding
Quality, Value, and Customer Service Within
The Greater Menomonie Area

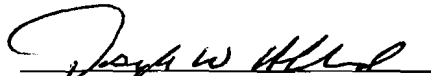
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Amy E. Bark

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Joseph W. Holland, J.D.

The Graduate School
University of Wisconsin-Stout

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**The Graduate School
University of Wisconsin-Stout
Menomonie, WI**

Author: Bark, Amy E.

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ABSTRACT

The purpose of this project was to determine University of Wisconsin-Stout students dining out purchasing preferences regarding quality, value, and customer service within the Greater Menomonie Area. The research objectives were:

1. Determine the demographic profile of University of Wisconsin-Stout students who dine out within the Greater Menomonie Area in the sample.
2. Identify the factors that influence the decision of University of Wisconsin-Stout students to dine out in the Greater Menomonie Area in this sample.
3. Identify the most important factors that University of Wisconsin-Stout students in the Greater Menomonie Area consider when making their decision to dine out in this sample.

Being a descriptive research study, the researcher selected a cross-sectional study to conduct. This included surveying students that had specific experiences and perceived

satisfaction with service, as well as food and beverages consumed in the identified market area. All of the participants had a background and knowledge of the hospitality industry. The sample group selected was composed of 134 University of Wisconsin-Stout students enrolled in HT 100-001, 002, and 003 Introduction to Hospitality.

The majority of the students completing the survey were female, ages 18-20, freshmen, which lived on campus, they were unemployed or worked part-time, had an annual income under \$5,000, eat out one to three times in the Greater Menomonie Area during an average week, and typically spend under \$10.00 in each visit.

The important factors for the entire sample, while selecting a food and beverage establishment were cleanliness, quality of products, and service, while previous purchase experience(s), price, consistency, and take out were the least important factors for the whole sample.

The Graduate School
University of Wisconsin Stout

Menomonie, WI

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Chapter I: Introduction

Introduction & Background

The setting of this research focused on the city of Menomonie and the University of Wisconsin-Stout. Both are positioned geographically 85 miles east of Minneapolis, Minnesota and 20 miles west of Eau Claire, Wisconsin. Situated in Dunn County they are located south of Interstate-94 and close to the shores of Lake Menomin.

With a population of 15,000 the city of Menomonie (City of Menomonie, 2007) and is noted for its quality education system, economic development, and workforce. The population of Dunn County is 41,975. During the second quarter of 2007, the top five industries by employment for the county included: educational services, food services and dining places, nursing and residential care facilities, warehousing and storage, and general merchandise stores (Wisconsin's Worknet, n.d.).

University of Wisconsin-Stout is an important element of the community and region. It maintains a well established reputation that specifically includes their Hospitality and Tourism department and programs.

Upon observing a relative downturn in the economy over the past few years, the campus and city continue to grow and prosper. For in a 2004 financial report the Office of University Communications (n.d.) announced that Stout's annual economic impact on Dunn County was more than 312 million dollars. Therefore, because of this economic and social influence, the community and university benefit significantly from each other.

This report was edifying and intrigued the researcher. As a result of the researcher's educational background in Service Management and experience in the Hospitality Industry further investigation focused on examining the relationship of University of Wisconsin-Stout

student's dining out and customer service at food and beverage establishments in the Greater Menomonie Area. The essence of service as perceived by students from the University is the focus of this thesis.

With this in mind, various in-depth discussions, brainstorming, and planning sessions were conducted. Which resulted in the official title of this thesis being approved as; "An Analysis of University of Wisconsin-Stout Students Dining Out Purchasing Preferences Regarding Quality, Value, and Customer Service within the Greater Menomonie Area".

Upon being granted approval of the title and focal point of the study by the advisor, the steps were outlined by the researcher; identify a sample group, develop a survey instrument, determine a date, administer the survey, tabulate the data, conduct the statistical analysis, and develop final recommendations.

Overview of the Study

This study discusses the factors that influence customer's experiences and perceptions of University of Wisconsin-Stout students that have patronized food and beverage establishments in the Greater Menomonie Area. Chapter I provides the introduction, background, overview, statement of the problem, purpose, assumptions, definitions of terms, limitations, and methodology. Chapter II is a review of related literature, that presents a base for the research and the relevant issues associated with the study. Chapter III presents the methodology. It includes research objectives, subject participants, research setting, instrumentation, data collection procedures, data analysis, and summary. Chapter IV describes the results where the researcher's thesis objectives are addressed through the identified and appropriate analyses procedures. Chapter V applies the knowledge which was gained, discusses the conclusions, and identifies specific recommendations for further research.

Purpose of the Study

The purpose of this study was to identify the determining factors that influence University of Wisconsin-Stout student's decision to dine out at food and beverage establishments in the Greater Menomonie Area.

Assumptions of the Study

The researcher has selected the Introduction to Hospitality course on the basis that all of the students would have a working knowledge of quality customer service in the hospitality industry. Plus they have encountered first hand experiences with patronizing food and beverage establishments in the Greater Menomonie Area.

Definition of Terms

The following is a list of relevant terms and definitions, used in this paper.

Brand. A name, symbol or design that identifies the goods or services of one seller or group of sellers and distinguishes them from the goods and services of competitors (Nickels et al, 2008).

CLV. Customer Lifetime Value. (Srinivasan, 2004).

CRM. Customer Relationship Management. (Srinivasan, 2004).

Customer experience. An interaction or series of interactions between a customer and a product, a company, or its representative that leads to a reaction and when the reaction is positive, it results in the recognition of value (LaSalle & Britton, 2003).

Customer focus. An organizational goal to concentrate on meeting customers' needs at all levels of the organization (Williams, 2000).

Customer satisfaction. An organizational goal to provide products or services that meet or exceed customers' expectations (Williams, 2000). The customer's feeling that a product has met or exceeded expectations (Gitman, 2008).

Customer service. The customer's complete experience of doing business; the behaviors and attitudes of a company and its personnel toward customers during all interactions and communication with them (Swartzlander, 2004). The ability of knowledgeable, capable, and enthusiastic employees to deliver products and services to their internal and external customers in a manner that satisfies identified and unidentified needs and ultimately results in positive word-of-mouth publicity and return business (Lucas, 2005).

Customer value analysis. Allows an organization to understand how its customers experience value. It maps customer needs and objectives in terms of the customers value (Gale, 1994).

Customer value management. Determines what drives value for customers, measures performance relative to the competition, and creates competitive advantage (Gale, 1994).

Customer value. The ratio of benefits to the sacrifice necessary to obtain those benefits, as determined by the customer; reflects the willingness of customers to actually buy a product (Gitman, 2008).

CVM. Customer Value Mapping.

Ethical behavior. The behavior that conforms to a society's accepted principles of right and wrong. It follows accepted principles of right and wrong (Williams, 2000).

Exceptional customer service. Consistently meeting and exceeding customers' needs and expectations (Swartzlander, 2004).

External customers. People who purchase products and services (Lucas, 2002).

Form utility. The benefit marketing provides by transforming raw materials into finished products (Solomon et al, 2008).

Greater Menomonie Area Chamber of Commerce. Not-for-profit business membership organization that makes up its membership and serves as the voice of businesses within the Greater Menomonie Area (Greater Menomonie Area Chamber of Commerce, n.d.).

HMEC. Home Economics building.

Internal customers. People whom are employed by an organization (Lucas, 2002).

Management. The process of achieving organizational objectives through people and other resources. The manager's job is to combine human and technical resources in the best way possible to achieve the company's goals (Boone & Kurtz, 2007).

Marketing. An organizational function and a set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders (Boone & Kurtz, 2007). Marketing is the process of discovering the needs and wants of potential buyers and customers and then providing goods, and services that meet or exceed their expectations (Gitman, 2008). The process of planning and executing the conception, pricing, promotion, and distribution of goods and services to facilitate exchanges that satisfy individual and organizational objectives (Nickels et al, 2008).

POS. Positively Outrageous Service. Unexpected service delivered at random. It is a memorable event and is so unusual that the customer is compelled to tell others. POS creates lifetime customers (Gross, 1991).

Value creation. Performing activities that increase the value of goods or services to customers (Hill, 2005).

Value. Customer perception that the product quality is excellent for the price offered (Williams, 2000). Good quality at a fair price. When consumers calculate the value of a product, they look at the benefits and then subtract the cost to see if the benefits exceed the costs (Nickels et al, 2008).

Chapter II: Literature Review

This literature review has targeted extensive research which identified numerous examples of best practices of businesses and organizations across the country. Such examples range from Microsoft, to big box retailers like Wal-Mart, Cirque du Soleil a new dimension in the entertainment business, to gas stations and other successful business operations. Despite their size and location, all have excelled because of their attention to detail in regards to quality, customer service and value.

This information was included as a priority in this chapter and is important to the entire study on the basis of learning the best from the best. As simple as it may sound, identifying and paying attention to your customers needs is a must. Additional factors such as the importance of employees working as a team, encouraging creativity, plus the effective use of empowerment, a SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis and marketing are critical. Such elements and illustrations can easily be applied to the food and beverage operations included in this study.

Serving customers seems to be a very simple concept; it is often taken for granted. Many times it may be as simple as acknowledging a customers' presence, smiling, saying thank you, or providing prompt courteous service with a positive attitude toward the customer. The little things in the service cycle are typically overlooked and are often the most important issues when customers tally up a service score in their minds and develop an overall perception of a business. Thus, serving customers effectively, efficiently, and positively is vital to the success of any business (Eggland & Britten, 2002).

Definition of Quality Customer Service

Service is a lifestyle. Giving service is a way of life. Service is a technique, a means to become successful (Schowalter, 1993). Exceptional customer service is consistently meeting and exceeding customers' needs and expectations. Customer service is a philosophy, not a job or a department. When we think of customer service, many of us picture a customer service desk or a telephone representative. Many organizations have viewed customer service as; after sales service, customer support, and complaint handling. The Director of Web Content at eCustomerServiceWorld.com argues that many companies have traditionally mis-defined customer service, using a departmental approach. They define customer service as the customer's complete experience of doing business. Customer service is the behaviors and attitudes of a company and its personnel toward customers during all interactions and communication with them (Swartzlander, 2004).

Many attempts have been made to define the term customer service. However, depending on an organization's focus such as, retailing, industry, manufacturing, or service, the goals of providing customer service may vary. In fact, we often use the term service industry as if it were a separate occupational field in itself. In reality, most organizations provide some degree of customer service. Hence, customer service can be defined as the ability of knowledgeable, capable, and enthusiastic employees who deliver products and services to their internal and external customers. This is done in a manner that satisfies identified and unidentified needs. Then it ultimately results in positive word-of-mouth publicity and return business (Lucas, 2005).

Customer service is an important element in business. One of the most effective and least expensive ways to market a business is through excellent customer service. Customers are an obvious requirement for being a successful business. Today more than before, the importance of

customer service is at an all-time high. Businesses are realizing that providing a product or service alone is not enough in today's competitive economic environment. In today's global market, customers are much more sophisticated than they were even five years ago. They are informed about how products should perform and know that if they are dissatisfied with the service they receive, someone else probably sells it and will provide greater service. They may also expect that if they express their unhappiness with a situation, a positive result will occur.

Customer service is in style! People are talking about its importance and go into the marketplace expecting to receive it. The provision of customer service is an important component of the business cycle. In many cases, customer service is the positive element that keeps current business customers coming back. The customer service provider is frequently the one who "saves the day" and the account. When a person goes out of their way to provide excellent customer service, work is more fun and more fulfilling. As a result, positive relationships with others develop (Harris, 2003).

The implementation of good customer service includes staff development which focuses on customer's expectations and satisfaction. To achieve successful customer service, it is important to know that customers are the most essential people in the business. Customers are part of the business they deserve attention and fair treatment. Customer service is anything we do for the customer that enhances the customer experience (Sabrosky, 2006).

Organizations are competing in a global marketplace for world class service. A fundamental shift is occurring in the world's economy. We are moving away from a world in which national economies were relatively self-contained entities, isolated from each other by barriers to cross-border trade and investment; by distance, time zones, and language; and by national differences in government regulation, culture, and business systems. We are

transcending toward a world in which barriers to cross-border trade and investment are declining. Perceived distance is shrinking due to advances in transportation and telecommunications technology. As a material based and globally competitive culture we are starting to look more similar throughout the world. National economies are merging into an interdependent, integrated global economic system; a process commonly referred to as globalization (Hill, 2008). It is no secret that competition in services has become global and no market is isolated in today's global economy (Fitzsimmons & Fitzsimmons, 2004).

In today's marketplace, consumers are bombarded with offers for products and service. Newspaper, radio, internet, and television advertisements compete for their attention. Interesting sites on the World Wide Web, charming store displays, and colorful catalogs also compete for their dollars. It is a buyer's market. Goods are plentiful and buyers have many choices about where to purchase them. In this type of marketplace, customers call the shots. What customers want and what they demand is superior service. They have neither the time nor the patience for anything less. It is a well documented fact that dissatisfied customers simply take their business elsewhere. To remain competitive, the smart companies have responded by making customer service their number one priority. Everyone from the CEO to the newest hire focuses on getting and keeping their customers by providing excellent service. Whether you are a mechanic, bookkeeper, researcher, librarian, sales clerk, computer programmer, or custodian, your actions influence whether a customer will remain loyal to your company (Rokes, 2001).

Service Marketing

Marketing can be described in several ways. It can be seen as a strategic thrust pursued by top management, as a set of functional activities performed by line managers (such as product

policy, pricing, delivery, and communications) or as a customer-driven orientation for the entire organization (Lovelock, 1996).

To be successful in the future, companies must stop competing with each other. The only way to beat the competition is to stop trying to beat the competition. To understand this concept, such companies such as Cirque du Soleil have reinvented the circus and as a result have achieved great success (Kim & Mauborgne, 2005).

Creativity is another important element of service marketing and there are many ways to think “out of the box.” In the book, *Blue Ocean Strategy: How to Create Uncontested Market Space and Make the Competition Irrelevant*, the authors propose that their readers should imagine a market universe composed of two sorts of oceans: red oceans and blue oceans. Red oceans represent all the industries in existence today. This is the known market space. Blue oceans denote all the industries not in existence today, which is the unknown market space. In the red oceans, industry boundaries are defined and accepted and the competitive rules of the game are known. Here, companies try to outperform their rivals to grab a greater share of the existing demand. As the market space gets crowded, prospects for profits and growth are reduced. Products become commodities and cutthroat competition turns the red ocean bloody. In contrast, blue oceans are defined by untapped market space, demand creation, and the opportunity for highly profitable growth (Kim & Mauborgne, 2005).

4 P's of Marketing

Marketing is defined as the process of planning and executing the conception, pricing, promotion, and distribution of goods and services to facilitate exchanges that satisfy individual and organizational objectives. Pleasing customers has become a priority for marketers. Much of what marketing people do has been conveniently divided into four factors, called the 4 P's to

make them easy to remember and implement. They include: product, price, place, and promotion. Retail marketing, the service sector, and specifically in the hospitality industry, effective marketing includes and addresses the 4 P's. Managing the controllable parts of the marketing process, then, involves 1) designing a want satisfying product, 2) setting a price for the product, 3) placing the product in a place where people will buy it, and 4) promoting the product. These four factors are called the marketing mix because they are blended together in a marketing program (Nickels et al, 2008).

Even though most marketing books published throughout the world refer to the 4 P's of marketing (product, place, price, and promotion) there are some leaders that would like to get rid of the relationship of these basic elements. Such authors share the same perspective of the need to expand the views of their readers. In many businesses and including the hospitality industry, it is not uncommon for managers to believe that marketing only involves advertising and sales promotion. By using this mentality, they do not understand and are not able to capitalize on the full essence of marketing.

The point is, when you start to bring the internal marketing focus in, what you quickly realize is that marketing is not something that a department does. It is what the organization does. Very few marketing people think about marketing as a corporate activity. What they are really focused on is how to create a marketing function within the organization and get more power and prestige. This forces you out of the vertical functional silos. It forces you to think and work horizontally. This is very difficult in traditional organizational structures (Mazur & Miles, 2007).

Marketing Value

The simplest customer value analysis consists of two parts: first, create a customer value profile which compares your organization's performance with one or more of your competitors, and second, once you have completed part one, draw a customer value map (Gale, 1994).

According to Gale (1994), to better understand consumer value needs, it is important to know that there are seven tools of customer value analysis, including: 1) the market-perceived quality profile, 2) the relative price profile, 3) the customer value map, 4) the won/lost analysis, 5) a head-to-head chart of customer value, 6) a key events time line, and 7) a what/who matrix.

Each of these items as explained in more detail below:

- 1) Market perceived quality profile. Within the elements of customer value analysis, the market-perceived quality profile is the most important because it summarizes the market issues that are usually the easiest to address and change in order to improve your business. Organizations succeed by providing superior customer value. This profile identifies what quality truly is to your customers, as well as which competitors are producing the highest levels of quality. An overall quality performance measure is given, based on customer's definitions of quality (Gale, 1994). Customer value analysis is especially powerful if you conduct separate analyses for the different segments of your market and customers.
- 2) Relative price profile. Within the relative price profile, also called the market-perceived price profile, organizations must ask customers to list the factors that affect their perception of the product's cost to them. Then ask them to discuss the weights they place on each and to rate how they perceive the different competitors' performance on each factor associated with price. Although a price profile may not be

necessary in some markets, where prices are understood clearly, it is extremely important in most situations (Gale, 1994).

- 3) Customer value map. A customer value map focuses on customer perceived performance on all of the quality attributes that count in the purchasing decision. Not only is it a very powerful tool, it also gives you the clearest picture of how the customer will make their decision among the different suppliers. A customer value map shows who is most likely to gain market share and can be used to compare value positioning (Gale, 1994).
- 4) Won/lost analysis. This tool is very straightforward although very few organizations actually use it on a regular basis; it is a won/lost analysis of recent competition and can be extraordinarily valuable when trying to understand customer value (Gale, 1994). Such an analysis utilizes a gamesmanship strategy to compare your success of the market share as compared to your competitors can be an effective tool.
- 5) Head-to-head area chart of customer value. This is a graphic display that shows where organizations do their best and which areas need improvement in relationship to specific competitors. Deciphering where your organization needs to improve performance is a crucial aspect within this tool (Gale, 1994).
- 6) Key events time line. The key events time line is an important strategic planning tool that few organizations use today. This allows organizations to develop a better understanding of how actions change the market's perception of performance on each quality item. Changes in customer value really do affect market share (Gale, 1994).

- 7) What/who matrix. A what/who matrix is the method of finding out who is responsible for the actions that will make customer value successful. It shows which processes determine performance versus competitors for each quality item (Gale, 1994).

In order to pull ahead of the competition an organization needs to know more than its competitors about the customers, markets, competitors, technologies, as well as processes. Then an organization needs to use that information even better to develop quality and value (Gale, 1994). The seven tools of customer value analysis reinforce one another and help organizations understand its competitive position plus develop action steps to achieve success. Clustering and aligning quality initiatives will allow entire organizations to understand how they relate to a progression through the stages of customer value management.

A term similar to marketing is branding. A brand is a name, symbol, or design that identifies the goods or services of one seller or group of sellers. It then distinguishes them from the goods and services of competitors. The word brand is adequately accomplished to include basically all means of identification of a product. Brand names give products a distinction that tends to make them attractive to consumers (Nickels et al, 2008).

Gale (1994) explains there is not anything that produces more wealth faster than the creation of a power brand, which is a name people respond to during their shopping experiences and decisions. The potential profit of a global power brand is awesome. Brand name companies realize that what makes them worth billions of dollars is fairly simple. For the most part, a power brand is a name that means satisfaction, quality, and value to the customer. When customers associate the name of your brand with satisfaction, quality, and value you will definitely continually attract loyal customers. When someone becomes a loyal customer, they assist in your

organizations success by word-of-mouth advertising, price premiums, repeat purchases, and increased profits. On the other hand, if your brand name loses that positive association, it will become essentially valueless and those items that originally contributed to your organizations success will begin to slip away. Brands with greater levels of quality earn net margins nearly four times as high as those earned by brands perceived to be of lesser quality.

Just because an organization has achieved a high level of quality, it does not mean the world will rush to purchase the goods and or services you sell. However, many companies do produce products and offer services at a high quality, but never effectively tell customers about them. Therefore, advertising is vital in making people perceive what you have accomplished (Gale, 1994).

Value is defined as good quality at a fair price. When consumers calculate the value of a product, they look at the benefits and then subtract the cost to see if the benefits exceed the costs. Whether consumers perceive a product as the best value depends on many factors, including the benefits they seek and the service they receive. To satisfy consumers, marketers must learn to listen better than they do now and to adapt constantly to changing market demands (Nickels et al, 2008).

The buyer is the only one who can determine what value they find in a purchase. Only an individual can determine what the value is worth in terms of payment. Every product and service posses some element of objective and subjective criteria and both contribute to the overall value. This may also help establish what the customer considers to be a fair and reasonable price. Objective and subjective criteria/value are different means of determining value. Objective value is based on criteria such as availability, size, efficiency, cost savings, hours to manufacture, and quantity to name a few. Subjective value is more exclusive than objective value. Objective value

is tangible and measurable, while subjective value is the opposite. It is the benefits, which the goods provide that customers desire, not the goods themselves. For example: an increase in comfort and pleasure is the ability to accomplish goals and tasks, and the esteem of others when they consider what they own. Subjective value is what a service and or product means to an individual as a result of the benefits they received from owning or using it (LaSalle & Britton, 2003). When subjective value is added to the equation, there is often an increase in the worth of a service and or product. Each individual consumer perceives and recognizes value, especially subjective value, in different ways and on different levels.

Once consumers begin to see products and services in terms of the types of value they each provide, they can then think about what else those products and services could offer if a few adjustments were made. LaSalle and Britton (2003) state that “cumulative value is a phenomenon that happens when a product registers multiple hits on one or more levels of consciousness” (p. 12).

When a product or service becomes a commodity, the only way to rise above the issue is to give customers additional value so that price is not the deciding factor. Today, gas stations have wrapped their commodity (gasoline) in efficiency and convenience and then extended their offerings to include other products and services their customers can access at the same time. If value can be built into a commodity such as gasoline, it can be done with any product and or service in any market. It all starts with businesses and or organizations recognizing and listening to their customers’ needs. The next step in this process would be to add in the objective and subjective values necessary to meet those needs, and then advertise this greater value, customers will come, they will stay, and they will pay a premium price to do business with your

organization. The real challenge is to identify the value your customers will respond to (LaSalle & Britton, 2003).

Businesses, today, agree that understanding customers and being able to give them what they want is one of the largest challenges on the road to success. Part of the problem lies with the fact that people continue to grow and change; they build on past experiences and the lessons they have learned. This is true for the consumer as well; people develop and as they evolve, what they value changes or shifts. In addition, values also develop through the changing of a person's definition of value. Therefore, values can develop when something ordinary becomes extraordinary or when the definition of value changes or grows (LaSalle & Britton, 2003).

Understanding customers needs and wants. Every consumer comes into the customer situation with different needs and wants. While wants are frequently hard to identify and may occasionally be unrealistic, all customers have the following five basic needs (Harris, 2003).

- 1) Service. Customers expect the service that they think is appropriate for the level of purchase that they are making. A small, spontaneous purchase may have a smaller service need than a larger purchase that has been carefully planned and researched (Harris, 2003).
- 2) Price. The cost of everything we purchase is becoming more and more important. People and businesses want to use their financial resources as efficiently as possible. Many products previously considered unique, are now considered commodities. This means that while a consumer previously had to travel to the local restaurant to buy a hamburger, now one can be acquired at many locations in the same community. This makes the component of price even more important to the customer (Harris, 2003).

- 3) Quality. Today, customers want products that they purchase to be durable and functional until the customer decides to replace them. This requirement of quality mandates that manufacturers and distributors produce products that live up to the customers' expectations of durability as well as quality. Customers are much less likely to question price if they are doing business with a company that has a reputation for producing a high quality product (Harris, 2003).
- 4) Action. Customers need action when a problem or question arises. Many companies offer toll-free customer assistance telephone lines, web pages, email, flexible return policies, and customer carryout services in response to the need for action. Customers are human beings and like to think that they are an important priority and that when a need or question arises someone will be ready and waiting to help them (Harris, 2003).
- 5) Appreciation. Customers need to know that their business patronage is appreciated. Customer service providers can convey this appreciation in many appropriate ways. Saying "thank you" to the customer through our words and actions is a good starting point. Preferred customer mailing lists, informational newsletters, special discounts, courtesy, and name recognition are all good ways to show customers how they are appreciated. Additionally, businesses should let their customers know they appreciate their business. A great example of this is where a fast food restaurant had a sign in its drive-through lane that said, "We know that you could eat somewhere else; thank you for allowing us to serve you" (Harris, 2003).

Convenience comes high up on any list of what consumers want. Indeed, if a product or service is not convenient, it will not be used unless it is exclusive. Customers want to be listened

to, valued and respected. They want to be involved. We often spend too much time talking at customers with expensive marketing campaigns; paying little attention to what they have to say back (Kirkby, 2007).

There are many ways in which organizations differ, but there is one way in which every organization is the same. Whether for-profit or not-for-profit, providing a product or a service, or operating in the manufacturing, education, health care or retail sector, every organization has customers. Data abounds on the impact of customer satisfaction on customer loyalty and retention, and most companies would intuitively agree that it makes sense to provide good customer service. Yet many do, or do not consistently. At its core, good customer service is about people treating other people in the manner they prefer with respect, courtesy, and speed. When it comes to customer service, there is not a “one size fits all” solution, instead, all organizations, whether it is explicitly stated or not, has a unique brand and service culture (Glensing-Pophal, 2006).

Customer satisfaction and quality. Customers choose one product and or service over another because they believe they will receive more value in one over the alternative. Companies set themselves up for failure when they do not plan their business strategy around the fact that they will be value leaders (Gale, 1994). There are specific factors that contribute to customers selecting competing products or services, those of which include the following: customers buy on value, value equals quality (in comparison to price), and quality includes (non-price) products, services, and customer service.

Creating a competitor advantage. It is a common fallacy that people buy based on price. Well, some do, but most people buy based on value or rather their perception of value. Competing on price is not the smartest decision for a small business to make. There will always

be some other business that can charge less than the competitors can. A better option is to charge what will and offer more value for that price. Give customers the perception that your products are services are a better value than the competition and your businesses has a good chance of selling to them. Back that up with real value to maintain their perceptions and your business will create some loyal customers who buy again and again and again. Do not try to give customers the best price. Give them the best value for the price (Bradley, 2006).

Positive change regarding customer's perceptions of value is driven by the understanding of the customer and what they value as the basis for developing business and marketplace strategies. The enterprise of the future will build value models for a customer or a customer segment, drawing on data gathered from a variety of sources including their consensus information from the customers themselves. These models will be data and knowledge-driven representations of the monetary worth of their services to their customers. They will understand the value of the benefits delivered to the customer and will develop a pricing plan that accounts for the benefits derived by the customer and not the cost incurred to develop and deliver the service or product (Butler, 1999).

Consumers shop for products, purchase products, and use products. They clean and throw away products. They arrange for service and talk to company representatives. Each of these statements is an experience that contributes to the value of an offering (LaSalle & Britton, 2003).

The beginning of a customer relationship typically includes a purchasing experience that begins with an interaction between a customer and a product, company, or its representative. Therefore, such an experience cannot happen without the customer's involvement. This is an important moment, because it requires a shift in thinking from consumers as customers, to consumers as participants. Once interaction takes place, a reaction occurs. Interactions cause

reactions, which manifest themselves as positive and negative thoughts or feelings. If a reaction is positive, the experience brings in value on one or more levels, but if it is negative, it takes away from the experience. Therefore, a consumer experience is an interaction or series of interactions between a customer and a product, a company, or its representative that lead's to a reaction. When the reaction is positive, it results in the recognition of value (LaSalle & Britton, 2003).

Organizations are often faced with the challenge of dealing with individual's tastes, preferences, and values which their customers bring to each purchasing experience. If and when you understand your customers, it is possible to anticipate their reactions and provide for their personal needs (LaSalle & Britton, 2003). Besides the personal influences a customer brings to an experience, the framework or conditions surrounding an experience are also important.

Whenever there is an interaction between a customer and an organization, product, or representatives, that person is engaging in an experience. Each experience involves an interaction that has the opportunity to enhance value. Therefore, the intensity of that value depends chiefly on the success or failure of each event to produce the preferred reaction. As an example, if a product works well, it will produce a favorable user experience, but if it were difficult to dispose of, that would decrease the value of the offering. Organizations need to identify the experience events surrounding each product and understand the impact each one has on the customer. When they do, the results can be surprising (LaSalle & Britton, 2003).

Every good or service involves a multitude of events, such as the buying experience that can add or take away from the value of a product. Most of which must be purchased, while others are unique to a specific product or situation. Events can happen sporadically over a long period of time, or they may occur repeatedly and be over in minutes. Within all of these

variables, it is not the size, shape, number, duration, or repetition of an event that matters, but the impact it has on the consumer (LaSalle & Britton, 2003).

Value experience is a product or service that when combined with its surrounding experiences goes above and beyond to enhance and bring value to a customer's life. Delivering this overall value allows products to exceed the ordinary and become extraordinary or possibly even priceless. This is what customers look for and what every organization should strive to deliver, regardless of what it sells. When customers make a purchase, they expend such things as time, effort, money, thought, and emotion. In exchange for these contributions, people expect value. Another way to look at this would be to say in exchange for their sacrifices they expect rewards. When attempting to create the best value experience, organizations need to limit the sacrifices and increase the rewards (LaSalle & Britton, 2003). In all cases, rewards add to the value of an experience and sacrifices decrease the value of an experience. Every day organizations are faced with opportunities to deliver rewards and limit sacrifices. In day to day business operations and decision making, it is critical that they are aware of what these decisions mean to their customer.

The experience engagement process is another important customer service process to keep in mind. It consists of five stages: 1) discover, 2) evaluate, 3) acquire, 4) integrate, and 5) extend. The customer moves through these stages during consumption of goods and services, although not all consumers will go through every stage each time. By taking a closer look at these stages, businesses can see rewards and sacrifices through their customers' eyes, therefore uncovering the real value of an offering. This can be very beneficial for those organizations (LaSalle & Britton, 2003).

- 1) Stage one-discover. Each purchase has a beginning; that first impulse to buy that sets the experience in motion. The impulse may be company-induced, self-induced, or situation-induced. No matter how the experience begins, the consumer uses the discovery stage to identify products and service to meet particular wants and needs in addition to uncovering possible sources for them (LaSalle & Britton, 2003). To succeed in this stage, companies need to make it easy for consumers to determine the value of your offerings. If companies do not, they will risk going undiscovered (LaSalle & Britton, 2003). When consumers have decided to purchase goods or services, businesses should determine where consumers will look when the impulse to buy occurs. In the case of a food and beverage establishment an on and off campus published menu should be distributed, communicated and marketed strategically to its target audience.
- 2) Stage two-evaluate. The purpose of the evaluation stage is to examine the possible choices discovered in stage one and then narrow them down to one choice. If the choices your company promises are right for the customer, they may choose to buy your product and or service. This can help seal the deal if you are the one who makes the evaluation stage a rewarding experience (LaSalle & Britton, 2003). To make this stage a rewarding part of the experience engagement process, companies must provide the right information and be there when questions arise. If the value your company offers is the value the customer is looking for, and you help them recognize that, you have a good chance to make the sale. Such an example is when a food and beverage establishment uses disclosure to explain its nutritional information to its

customers. This disclosure serves to inform the customer about critical elements in their menu which may be important to their decision making and purchase selection.

- 3) Stage three-acquire. This is another stage customers will eventually acquire. At this point, products and services are actually purchased. Although this may seem simple, it often is not. As a matter of fact, the number of events involved in making a purchase can make acquisitions one of the most difficult and sacrifice-laden parts of the consumption journey (LaSalle & Britton, 2003). Everything and everyone within your organization that is related to your product or serves the customer is considered personal. Whatever your organization can do to get rid of sacrifices will have immense impact. The process of acquiring a product and or service gives a large amount of opportunities to create rewards or sacrifices. Focusing on this stage and rewards will definitely increase your business (LaSalle & Britton, 2003). Within a food and beverage establishment, a customer's first impression is typically a lasting impression. This first interaction often begins with order taking and or delivery. It is here where a positive relationship can be created to provide the opportunity for suggestive selling and positive customer relations.
- 4) Stage four-integrate. Integration is the simple or complex process of making something part of the whole. If an organization can identify a sacrifice and turn it into a reward, obviously everyone benefits. It is important to look at every event your customers experience while integrating your offering into their lives, wherever it takes place (LaSalle & Britton, 2003). A customer's impression of a food and beverage establishment is created by each element of the entire dining experience. Such factors include the location, building appearance, driving or walking distance,

ambiance, menu selections, staff, patronage of customers, quality, quantity, and value of the items purchased all contribute to the customers perceptions and further patronage. With each of these things being important, the entire perception of such a facility or dining experience can be changed based on the customers perception of quality, price, and perceived value. Successful food and beverage operators realize that by paying attention to such details, the sum of the parts can be increased significantly by utilizing the concept of synergy.

- 5) Stage five-extend. Within this stage, customers and the company form a bond beyond ownership or use of a product and or service. This is where business reaches for the customer's soul (LaSalle & Britton, 2003). When companies relate to their customers values, they can gain a personal understanding of what is significant in their lives. With this insight companies will increase their chances of delivering what customers really want and they also protect their business as well. In the final analysis, the companies that have built relationships with their customers are much more successful compared to those who did not move beyond the scope of their products (LaSalle & Britton, 2003). In the case of a food and beverage establishment such an experience is attained when satisfied customers advocate their dining experience through word-of-mouth advertising and follow-up by being repeat customers.

If organizations want to succeed in the future, they need to open their eyes and not only focus on their products and services, but delighting customers by building a lasting relationship. It is beneficial for organizations to view the consumption experience through the customer's eyes as well as their own. Sometimes looking at it from the company side, it is easy to forget the impact their actions have on the people who keep them in business (LaSalle & Britton, 2003).

The concept of customer value is measured by the profit that the customer will generate in the future (Peppers & Rogers, 2006). According to Cole (2004), value is created for a customer when a product or service and customer come together within a particular use situation. Developing a customer value perspective can be achieved by seeking to understand what benefits a customer might realize by using products and services, and what sacrifices the customer may have to endure by doing so. It takes a lot of discipline to empathize with customers and seek to enhance value from their perspective.

Despite ongoing change and increased competition, historically, those businesses or organizations which have been successful survive by thinking "out of the box," a box whose boundaries are defined by the present solution. Only by breaking free of this box, the prison that stifles innovation and limits creativity, can an organization begin to define new methods of creating customer value. Solutions act only as interstitial bridges, spanning the precipice of time between an industry's technological breakthroughs and product advancements. Organizations must view their solutions, however great they seem today, as disposable tools. Only then will they be able to continually create customer value in the face of innovation and commoditization (Ulwick & Eisenhauer, 1999).

Value creation includes performing activities that increase the value of goods or services to consumers (Hill, 2005). Methods to achieve value creation can be accomplished by providing basic customer service. Such examples in a food and beverage operation would be focusing on the customer's needs and wants and responding accordingly. Value creation could be as simple as having someone smile and say "welcome" when you arrive, being seated quickly and in a comfortable location. It could also include having enough variety in the menu to overcome any

potential discontent with options for the customer. Speed of service, quality of the product purchased and the price paid are all elements that can contribute to value creation.

Another important customer service strategy is to treat customers fairly, when consumers purchase the same product with the same quantity should pay the same price. The only time you should lower prices is if it benefits you and your customers. Enduring businesses create customer relationships for the long haul. Their success is shared with those who purchase their products and service. Pricing decisions should be an integral part of the relationship you create. If integrity and quality are the words that guide your enterprise, you cannot help but succeed (Broydrick, 1996).

Understanding the value of repeat customers is critical. A key purpose of a business is to create and retain a customer. Much has been written about customer orientation, Customer Relationship Management (CRM), Customer Lifetime Value (CLV) metrics, customer centric organization models, customer retention, and customer care. Add any high sounding word with customer preceding or succeeding that word and you have a new model, a new theory. All of which may include themes or new titles of headline hitting books, celebrity author seminars and training, until another theory comes along (Srinivasan, 2004).

When using value to set price and determine pricing strategy, there are two fundamentally different approaches. In the first, Customer Value Mapping (CVM), value is the perceived quality customers receive per unit of price. In other words, value is determined in part by price. In the second approach, economic savings and gains customers realize by buying the firm's product instead of products from other competitive suppliers creates value. In both situations, price is determined by value (Smith & Nagle, 2005).

When faced with their next purchase decision, whose product or service is a customer most likely to buy? This is the most important question most business managers will have to answer. Most of the time customers will make that decision based on the benefits that are most valuable to them and the price they must pay to receive those benefits. In other words, most purchase decisions are based upon perceived value, the trade off between the quality of the most desirable benefits and the price paid for those benefits (Williams, 2000). Consumers are willing to pay more for products and services when it takes place in a pleasing environment (McTaggart, 2005).

Building loyalty through customer satisfaction is achieved through evaluating customer service. Organizations can differentiate their offerings, attract new customers, and enhance the value of their products and services. When service is done well, it in turn leads to customer loyalty. The following four categories are based on the type of service the customer needs, those of which include: 1) help me, 2) serve me, 3) fix me, and 4) give me more (LaSalle & Britton, 2003).

- 1) Help me. After purchasing your product or service, people are bound to have questions about the product or service, processes, and or policies. They may also need advice or information. This is the most challenging of the four categories, simply because it is unpredictable (LaSalle & Britton, 2003).
- 2) Serve me. Serve me tends to be predictable and routine; it is much easier to control than the help me category. By viewing service as a process and then taking steps to manage snapshots and sequences, customer expectations are not only met but surpassed (LaSalle & Britton, 2003).

- 3) Fix me. Whenever something is broken, whether it is product or service related, your organizations relationship with the customer is also damaged. If the customer is neglected or abused during the help me and or serve me episode, repair is needed immediately. No matter how a customer ends up in this category, it is the organizations responsibility to ease the pain and make things right again (LaSalle & Britton, 2003).
- 4) Give me more. This category is strictly value-added and is needed to provide a competitive advantage. There are two approaches for adding value with this type of service. The first approach addresses the customers as a broad group, while dealing with a common process. The second approach customizes the company process, providing individualized service for each customer. Refining both approaches will be necessary to succeed (LaSalle & Britton, 2003).

Today's technology and elements of communication influence can be extremely helpful as well as elements to be aware of. If your customer service is less than expected, watch out, because today's technological interactivity takes word of mouth to a whole new level. There are web sites that serve as a clearinghouse for both good and bad experiences. Plus there are blogs that do not hesitate to name names and no matter how you try, you may never get a bad comment removed from cyberspace. Poor customer service can quickly and irreversibly damage an organizations reputation. Conversely, positive customer service can effectively enhance an organizations image. You could not pay for what a pleased customer can convey in positive word-of-mouth advertising. This is the most effective marketing tool an organization can develop. The researcher firmly believes that when you take stock of your company's image; do not overlook the importance of good customer service. A happy customer will be a great

ambassador for your business, but a customer scorned will bad mouth your company all over town. Thus, word-of-mouth advertising/communications both positive and negative is a tremendously powerful tool (Storey-Manseau, 2007).

Positively Outrageous Service (POS) is the story you can't wait to tell. Everyone has a tale about a favorite restaurant, airline, or retail shop. In these stories lie the secrets of business success. POS is unexpected service delivered at random. It is a memorable event and is so unusual that the customer is compelled to tell others. POS creates lifetime customers (Gross, 1991).

The role of customer service, in quality assurance, is another important business practice to strive for. When customer service levels are high, profit is sure to increase as well. Gale (1994) states that customers place a lot of weight on customer service when making their purchasing decisions. Within businesses where customers place more weight on service are more profitable than those where weight on customer service is low. Therefore, businesses that achieve better quality customer service all together generate more revenues and profits than businesses that do not. Customer service clearly plays a key role within markets and profits are higher in markets where customer service is deemed important.

When companies fail to strategically manage service, it not only leaves their customers upset and angry, but also has a negative impact on incoming profit. Gale (1994) found that "the management of service is central to the management of customer value" (p. 122). Being recognized as a leader in quality and value among the peers in your market will definitely contribute to your company's success.

Gale (1994) states "to achieve superior market-perceived quality you must simply outperform your competitors on quality attributes that customers weight heavily" (p. 303). When

looking at the correlation between quality and actual buying/selling prices, the relationship is viewed as being powerful. For the most part, people will choose to buy a higher quality product and or service over the less expensive, lower quality choice. In comparison, superior quality does not mean there has to be higher prices. Organizations with positions of lower quality actually have higher relative direct costs than those in other positions (Gale, 1994). Therefore, since high-quality organizations receive higher prices but do not have any higher costs in comparison with their competitors, it is expected that they would have higher profits. Achieving a superior quality position unmistakably pays off in reference on the bottom line and drives profitability (Gale, 1994).

Customer value management also means following your customer's perceptions as well as any hard realities. When data shows that your organization is not providing excellent value for the customer, you must take on all of the hard work associated with changing how your product and or service perform. Sometimes educating customers is what is most important (Gale, 1994).

Gale (1994) claims there are four steps to customer value management, including: 1) conformance quality, 2) customer satisfaction, 3) market-perceived quality and value, and 4) quality. If an organization were continually increasing quality and satisfaction, the level of effectiveness would soar until it reached total quality management and then customer value management. Within the first stage, conformance quality, it is necessary to do it right the first time, therefore reducing scrap and the need to rework. The second stage focuses on customer satisfaction; getting close to your customers while understanding their needs and expectations is very important. When companies have gotten this far, a major shift in focus takes place, from satisfying current customers to beating competitors, by attracting both current customers and non-customers in the targeted market. The third stage, market-perceived quality and value

relative to competitors; getting close to the market (current and potential customers), understanding why business is won or lost, and lastly using a customer value analysis to view your performance versus your competitors (as your customers would see it). For the most part, companies in today's society spend a good amount of money on research about their customers, as well as markets. Finally, within the fourth stage, quality a key to customer value management is accomplished by using the customer value analysis tool to make important assessments and decisions, as well as aligning your entire organization with the needs of your targeted market. Quality does not mean much in the business world if customers perceive your competitor's quality superior to your own. If used correctly, quality may become a strategic weapon for an organization.

Creating value that customers can see is crucial to the success of an organization. Understanding the needs of your customers, effectively controlling quality, having superior quality (in areas that matter to the customer), advertising, communicating, and keeping the cost of quality low, all have a role in market perceived quality. If handled with care, market perceived quality will lead to exceptional customer value, which again will lead to increased profits, growth, and overall value within an organization.

Creating Business Success

Creating consistent high performance success in business begins and ends with customer service. Two basic conditions determine a firm's profits: the amount of value customers place on the firm's goods or services (sometimes referred to as perceived value) and the firm's costs of production. In general, the more value customers place on a firm's products, the higher the price the firm can charge for those products (Hill, 2005).

Consumers, have the option to choose full service or no service. Whatever the choice, businesses must meet such expectations or have some level of dissatisfaction. Most customers have at least minimal expectations of the small entrepreneurial business and of the large corporation. Therefore, those organizations must fully understand customer expectations and the service levels necessary to keep customers satisfied. In fact, in today's marketplace just keeping customers satisfied is usually not enough. Therefore to be successful businesses need to exceed customers' expectations and use good service as a competitive advantage. Service levels must be planned in a strategic manner just as other aspects of the business are planned (Eggland & Britten, 2002).

Shottenkirk (n.d.) states success begins and ends with customer service. Therefore, happy people spend more money. Verbiage is important, especially when there is an opportunity to use customer's names. Perhaps listening to customers is the most useful tool (Shottenkirk, n.d.). Instead of wasting resources running after new customers, try selling a wider variety of products and services to the customers you already have (Farrell, 2004).

Growth, growth, and more growth; it is the measure of business success. So how do companies achieve growth and acquire business success? Product innovation, commitment to quality, strategic acquisitions, marketing campaigns, and advertising all contribute to growth, but the costs are considerable. To reduce these costs while achieving the needed growth, many companies are seeking and focusing on ways to build customer loyalty. They want to win mind share, increase wallet share, and reduce churn. These are the goals of Customer Relationship Management (CRM). In this environment the vision of CRM includes a 360-degree view of the customer, and a seamless customer experience. These are also referred to as being relationship-based enterprises that take a new and different view of relationships. A relationship with a

customer, a business partner, or between organizations is not a thing. It is not an asset that, once established, automatically lasts a lifetime. Instead, it is a process of human interaction and a constant work in progress. It involves far more than just the simple exchange of money for products or services (McKenzie, 2001).

To ensure success developing consistency and providing quality customer service are key components that should be included in a customer service plan or strategy; an element that every organization should develop. The Chairman of Microsoft once stated that the most successful enterprises in the future will be those with the right blend of high-tech with high-touch (Odgers, 2004). A lot can be learned from observing those people that have been successful in business. The realities of achieving success and serving the customer are to measure an organizations performance to meet and better yet exceed customer's expectations. The primary focus of business operations should be on having uniformly excellent customer service. Customer service is doing what you say you will do. This involves setting customer expectations and then delivering on them. There are many ways an organization can ensure quality customer service that leads to business success. The most critical is to hire the most efficient and appropriate staff for the position(s), provide appropriate training, as well as incorporate a customer service and performance evaluation system. Some businesses do this both internally and externally. The most convenient, appropriate, and typical method to monitor such effectiveness is by using a customer satisfaction survey. Considering margin of error, this is and continues to be the best means of getting feedback that counts from your customers (Johnson, 2007).

The success of the Founder of Wal-Mart can be attributed to the Founder's philosophy regarding customer service; he states that there is only one boss, the customer, and he can fire

everybody in the company, from the chairman on down, simply by spending his money somewhere else (Odgers, 2004).

Enhancing customer relationships should be a primary goal in all successful organizations; relationships are based on value, competence, trust, and propriety. Value: the customer's perception of your worth, excellence, usefulness, or importance. Value addresses the customer's question, what can this person or company do for me? Competence: the customer's perception of your skill, knowledge, and experience with respect to them or their business. Competence addresses the customer's question; can this person or company do what they say they can do? Trust: the customer's confidence in your integrity, ability, and intent. Trust addresses the customer's question, do I trust this person? Propriety: the customer's perception of the appropriateness or properness of your actions with respect to them or their business. Propriety addresses the customer's question, is this person behaving properly or appropriately? (Traut, n.d.).

Applying effective communications skills including: verbal, nonverbal, and listening, while trying to make a sale while handling customer complaints are additional critical components to efforts of customer service. Communication is important to business, it is estimated that people spend about 80% of their work time deliberately communicating, when they write, read, speak, and listen. This occurs within every point of a business transaction, whether in personal contact with customers, or when customer service representatives are communicating by telephone, email, or other methods. As customers increase contacts with an organization, they combine their perceptions into an overall impression of the company's customer service. Typically, when serving customers three basic purposes of business communication is used. This includes: to inform, persuade, and build goodwill. Also, important

in effective communications is being aware of the six elements in the communication process which includes: the sender, the receiver, a message, signals, the brain, shared understanding, and feedback (Odgers, 2004).

Customer Relationship Management (CRM) is a valuable tool to use when addressing value. Relationships are built on trust. For customers to continue doing business they must trust the service representative, products, and the organization. Trust has to be earned and it does not happen overnight. It is only achieved through continued positive efforts on the part of everyone within an organization. Once trust is gone, if you do not react quickly to correct the situation, organizations may never regain total customer confidence (Lucas, 2002).

Positive customer service is characterized by any number of actions a salesperson undertakes to help customers or clients. This includes emphasizing small behaviors as well as having an overall focus. Often these behaviors are planned. In other cases, however, these actions are spur-of-the-moment good deeds that customers like and appreciate. If these actions are consistent and sincere, customers become loyal to the organization. Successful customer relations go much deeper than the focus of simple customer service. Building positive customer relationships is the result of many acts of customer service which draws the customer to the organization and often to company representatives. Thus, positive relationships with customers result from planned and organized strategies implemented by an organization, based on research that targets customers as the vital element of organizational success. When institutional policies are coordinated with practical, one-to-one customer relations, an organization's chances for success increase dramatically. Customer relations are the art of cultivating and perpetuating the goodwill of established customers (Forde, 2002).

Marketing to each group, in a distinct way, engages these customers in a long term and profitable relationship (Peppers & Rogers, 2006). All successful organizations, both profit and not-for-profit, pay close attention to providing a focus on quality customer service. Some common characteristics for customer focused organizations include: internal customers (for example, peers, coworkers, bosses, subordinates, and people from other areas of their organization) and external customers (for example, vendors, suppliers, various telephone callers, and others not from within the organization). Their focus is on determining and meeting the needs of customers while treating everyone with respect and that they are special. Information, products, and services are easily accessible by customers. Policies should be in place to allow employees to be empowered to make decisions in order to better serve customers. Also, management and systems support need to appropriately reward employee efforts to serve customers. Reevaluation of the way business is conducted is vital. This results in necessary changes and upgrades to deliver timely, quality service to the customer (Lucas, 2002).

Others perceive customer focus as an organizational goal to concentrate on meeting customers' needs at all levels of the organization. Whereas customer satisfaction is an organizational goal to provide products or services that meet or exceed customers' expectations (Williams, 2000). Finding qualified people to work in customer service positions can be very challenging. In today's tight skilled labor market, with some of the lowest unemployment levels ever seen, there are obvious challenges to executives leading service-oriented companies. Even so, superior service can be achieved with hard work, great leadership, and a company culture that is dedicated, and above all else, to serving customers (Crawford & Mathews, 2001).

It is the role of managers and supervisors to hire, train, and empower their staff. Regarding empowerment, Connellan (2003) states "Let me know what you want me to do, hold

me accountable for getting results, and then get out of my way”. Often people fail to perform as well as they could because they do not know what is expected of them or are given the chance to be empowered.

An aspect of business operations, which is becoming more critical, is business ethics. Ethics and ethical behavior is the behavior that conforms to a society’s accepted principles of right and wrong. Ethical behavior follows accepted principles of right and wrong. As an example, Wal-Mart has very strict guidelines concerning their employees’ ethical behavior. Any employee who accepts anything of value (products, dinner, free tickets to a sports event, or a round of golf, for example) from a company that Wal-Mart does business with will immediately be dismissed (Williams, 2000).

Superior customer service evolves from getting to know the needs and wants of your customers. Service is about caring for a company’s most valuable asset, its customer. Caring for the customer will benefit the company, as well as the customer. Service can come in many forms, direct and indirect; it can take place in many settings, and occur during any one of the stages within the customer experience engagement process. No matter where or when service takes place, the sole purpose is to make the customer happy (LaSalle & Britton, 2003).

Summary

The reviewed literature states that serving customers effectively, efficiently, and positively is vital to the success of any business. Customer service is an important element in business. One of the most effective and least expensive ways to market a business is through excellent customer service. Customers are an obvious requirement for being a successful business. Today, more than ever, the importance of customer service is at an all time high.

Businesses are realizing that providing a product or service alone is not enough in the competitive economic environment.

In order to pull ahead of the competition, an organization needs to know more than its competitors about the customers, markets, competitors, technologies, as well as process. Then an organization needs to use that information even better to develop quality and value. To satisfy consumers, marketers must learn to listen better than they do now and to adapt constantly to changing market demands.

Customers choose one product and or service over another because they believe they will receive more value in one over the alternative. If organizations want to succeed in the future, they need to open their eyes and not only focus on their products and service, but delighting customers by building a lasting relationship. Therefore, understanding the value of repeat customers is critical. A key purpose of a business is to create and retain a customer. When companies fail to strategically manage service, it not only leaves their customers upset and angry, but also has a negative impact on incoming profit.

Within this study, an analysis of University of Wisconsin-Stout students dining out purchasing preferences regarding quality, value, and customer service within the Greater Menomonie Area will be performed.

Chapter III: Methodology

The literature review within Chapter II provided a vast amount of data and valuable information, resulting in the creation of a solid foundation for the basis of this thesis. The methodology used in this research focused on identifying the customer experiences and perceptions of University of Wisconsin-Stout students that have patronized food and beverage facilities in the Greater Menomonie Area. This chapter will outline the research objectives, subject participants, research setting, instrumentation, data collection procedures, data analysis, and a summary.

Research Objectives

During the planning and development of this project creating the research plan was extremely helpful. Research objectives for this thesis included the following steps. 1) Investigate and select the primary focus of this thesis. 2) Identify and outline the chapters to be included in this project. 3) Discuss the topic, research focus, and survey methodology to be used with the research advisor. 4) Obtain recommendations and approval from the research advisor to begin organizing as structured development plan for this thesis. 5) Introduce and conduct survey with targeted survey population. 6) Analyze and tabulate research findings and begin writing chapter four. 7) Based on the data assessment, prepare the format and write a rough draft of Chapters IV and V. 8) Discuss progress and obtain feedback and recommendations from the research advisor. 9) Review and obtain final recommendations from the research advisor. Implement recommendations, rewrite, and present final copy of this thesis for approval. 10) Arrange for a final meeting with the research advisor to pick up the approved copy of “An Analysis of University of Wisconsin-Stout Students Dining Out Purchasing Preferences Regarding Quality,

Value, and Customer Service within the Greater Menomonie Area”. Additional objectives included:

- 1.) Determine the demographic profile of University of Wisconsin-Stout students who dine out within the Greater Menomonie Area in the sample.
- 2.) Identify the factors that influence the decision of University of Wisconsin-Stout students to dine out in the Greater Menomonie Area in this sample.
- 3.) Identify the most important factors that University of Wisconsin-Stout students in the Greater Menomonie Area consider when making their decision to dine out in this sample.

Subject Participants

A total of 105 surveys were obtained to identify customer experiences and perceptions of University of Wisconsin-Stout students that have patronized food and beverage facilities in the Greater Menomonie Area. Surveys were administered to the University of Wisconsin-Stout students in the Introduction to Hospitality course on Tuesday, October 30, 2007.

Research Setting

During the time of this survey, Semester I, 2007, HT 100 Introduction to Hospitality classes at the University of Wisconsin-Stout had a total enrollment of 134 students. The university is located in the city of Menomonie, Wisconsin which has a population of 15,000 people (City of Menomonie, 2007). The specific location of this research sample was in room 208 in the Home Economics (HMEC) building.

Combining information from the Greater Menomonie Chamber of Commerce, telephone yellow pages, and the researchers personal knowledge, the following (see Table 1) is a list of food and beverage related facilities in the Menomonie area.

Table 1

Menomonie Area Food and Beverage Establishments

Acoustic Café	Jake's Supper Club	Shoe's Pub
Applebee's	Jeff & Jim's Pizza	Silver Dollar Saloon & Brick Co.
Arby's	Kernel Restaurant	Skoog's Parkside Supper Club
Ba Da Bingz	Kingdom Buffet	Someplace Else
Burger King	Ky-odie's Denn	Stout Ale House
Burrachos Restaurant	Kyotes Den	Stout: Commons Dining Hall
Caribou Coffee	Lakeside Lounge	Stout: Corner III Cedar Café
City Limits Restaurant	Legacy Chocolates	Stout: Heritage Café
Country Kitchen	Lucy's Delicatessen	Stout: Pawn, The
Cravings	McDonalds Restaurant	Stout: Rendezvous
Culver's Restaurants	Meet Market, The	Stout: Tainter Dining Hall
Dairy Queen	Menomonie Family Restaurant	Stout: Terrace Café
Das Bierhaus	Menomonie Golf & County Club	Subway
Dean & Sue's	Menomonie Log Jam	Taco Bell
Den, The	Off Broadway	Taco Johns
Domino's Pizza	Olde Towne	Teddy's Tube Steaks
Dona Rita Mexican Restaurant	Outback Coffee Shack	Ted's Pizza, Inc.
Downing Café	Papa Murphy's Pizza	Tom & Joe's
El Patio	Parkers Tuscan Grill	Trail Side
Erbert & Gerbert's Subs & Clubs	Perkins Restaurant & Bakery	VFW Clubhouse
Flame, The	Pioneer Grill & Saloon	Waterfront Bar & Grill, The
Fortune Cookie Restaurant	Pizza Hut Italian Bistro	Wendy's
Golden Leaf Café	Pub Bar, The	Wendy's Old Fashioned Hamburgers
Grazi's	Quiznos Subs	Wheel-er Inn
Green Mill Restaurant	Raw Deal Restaurant & Coffee Shop	Zanzibar Restaurant & Pub

(Greater Menomonie Area Chamber of Commerce, n.d. and Yellow Pages, 2007).

There are more food and beverage establishments than people may realize in the Greater Menomonie Area, which creates a high degree of competition. The ratio of food and beverage establishments to the population is high compared to other communities, thus this is a highly competitive market place.

Instrumentation

The researcher and research advisor contributed to the construction of the questionnaire. The survey contained 56 items requiring a forced response and a 5-point Likert type scale rating was developed for this study (see Appendix A). All of the questions were created as a direct result of the content discovered during the review of literature. Each question was developed for a specific purpose. In order to be able to attain a more comprehensive profile of the participants, demographic questions were also included. A brief introduction letter was included in the survey to ensure the respondent's participation was strictly voluntary. It also stated the intended purpose of the study.

Data Collection Procedures

The survey questionnaire was reviewed and approved by two University of Wisconsin-Stout Hotel, Restaurant, and Tourism Management Professors and the research advisor. Being a descriptive research study, the researcher selected a cross-sectional study to conduct. This included surveying students who have had specific experiences and perceived satisfaction with service, as well as food and beverages consumed in the identified market area. Since the participants had a background and knowledge of the hospitality industry, the sample group selected was composed of 134 University of Wisconsin-Stout students enrolled in HT 100-001, 002, and 003 Introduction to Hospitality. Of the 134 students enrolled in the course, 116 were in attendance, and 105 participated in the study. Providing a 99.1% completion rate for those in

attendance on the day of the survey, as compared to 78.4% of the 134 students enrolled in the class completed the survey. The survey was administered on October 30, 2007. The method of data collection significantly helped with the number of surveys returned, but may have caused a differential response. Having a differential response means the respondents may have selected responses which they thought should have been reported. From a statistical and ethical perspective, it is assumed that all the students who participated were honest in their responses. This request was made prior to administering the survey.

At the beginning of the sampling, the researcher gave an introduction and explained the background and purpose of the survey. All students in attendance were informed that their participation was voluntary, optional, and completely anonymous.

Summary

This chapter discussed the methodology used to conduct the research and implement the survey instrument. It also outlined the research objectives, subject participants, research setting, instrumentation, and data collection procedures. Chapter IV, titled Results, provides a tabulation of the results and detailed implications of those findings regarding the factors that influence dining out purchasing preferences in the Greater Menomonie Area.

The purpose of this study was to identify the determining factors that influence the decision to dine out at food and beverage establishments in the Greater Menomonie Area. The survey was administered to 134 University of Wisconsin-Stout students enrolled in HT 100-001, 002, and 003 Introduction to Hospitality. Out of the 134 students enrolled in the course, 116 were in attendance, and 105 participated in the study. The survey was administered on October 30.

Chapter IV: Results

Introduction

The purpose of this chapter is to present and interpret the research data findings in a factual manner, followed by a theoretical explanation. As explained in Chapter III, the research included a survey to determine customer experiences and perceptions of University of Wisconsin-Stout students who have patronized food and beverage establishments in the Greater Menomonie Area.

This chapter provides a complete report and assessment of the findings by the researcher. The results focus on a comprehensive statistical analysis of the survey, using frequency distributions, mean, standard deviation, descriptive graphs, validity, and hypothesis projections.

Survey Group Determination

The survey group was determined after receiving input from both brainstorming and casual meetings between the researcher, the research advisor and two University of Wisconsin-Stout Hotel, Restaurant, and Tourism Management Professors. A mutual agreement was reached that it would be appropriate to select a group of students who had a background and some degree of knowledge of the restaurant and hospitality industry. Thus, a class of students who were enrolled in the Hotel, Restaurant and Tourism Management program was selected as the sample.

Survey Administration and Assessment

Since this is a descriptive research study, the researcher selected a cross-sectional study to conduct, which included surveying students who had current dining out experiences in the identified market area. All of the participant's had a background and knowledge of the hospitality industry. The sample group selected was composed of 134 University of Wisconsin-Stout students enrolled in HT 100 Introduction to Hospitality- Sections 001, 002, and 003. Out of

the 134 students enrolled in the course, 116 were in attendance, and 105 participated in the study. This provided a 90.5% completion rate for those in attendance (105) on the day the survey was administered. Another comparison would be that 78.4% of the total population of 134 students enrolled in the class completed the survey. The survey was administered on October 30, 2007.

Item Analysis

The survey data was compiled and machine scored at the University of Wisconsin-Stout Budget, Planning and Analysis Institutional Research center by the Research and Statistical Consultant. In describing the findings, the researcher will introduce elements from the survey and will explain them in detail.

Included in the survey were eight survey questions which focused on participant demographics; such data was extremely valuable when conducting the correlation analysis of these items. Tabulations of these demographics and other specifics are included below.

As required by the Code of Federal Regulations Title 45 Part 46, this research project has been reviewed by the University of Wisconsin-Stout Instructional Review Board (IRB). Its purpose was to survey University of Wisconsin-Stout Hotel, Restaurant and Tourism Management students dining out purchasing preferences regarding quality, value, and customer service within the Greater Menomonie Area. To enhance readability and comprehension, the survey results have been reported in a narrative format complimented by the use of exhibits.

Survey Results/Analysis

The following information includes the results and an analysis of the collected survey data. The survey was organized into five categories; which include: demographics, food/beverage quality, customer service, value, and customer loyalty. All participants were thanked personally for their honesty and effort in completing the survey.

Demographics. A differential analysis, regarding the survey participant's demographics, was conducted to compare and identify if there were any significant variances in reference to the students; gender, age, class standing, where they live while attending school, work status, income, frequency of dining out in the Greater Menomonie Area, and how much money they typically spend.

The majority of the students completing the survey were female, ages 18-20, freshmen, who lived on campus, they were unemployed or worked part-time, had an annual income under \$5,000, eat out one to three times in the Greater Menomonie Area during an average week, and typically spend under \$10.00 in each visit. For further information and tabulated results of the students demographics see tables 2-9.

Table 2

Demographic Profile of Respondents by Gender

Gender	Frequency (N=105)	Percentage
Female	58	55.2
Male	47	44.8

Table 3

Demographic Profile of Respondents by Age

Age Categories	Frequency (N=105)	Percentage
18-20	95	90.5
21-30	9	8.6
31-45	0	0.0
46-59	0	0.0
60 and over	1	1.0

Table 4

Demographic Profile of Respondents by Class Standing

Class Standing	Frequency (N=105)	Percentage
Freshman	85	81.0
Sophomore	10	9.5
Junior	10	9.5
Senior	0	0.0
Graduate Student	0	0.0

Table 5

Demographic Profile of Respondents by Residence Location

Residence Location	Frequency (N=105)	Percentage
Off Campus-In Menomonie	8	7.6
Off Campus-Outside of Menomonie Area	3	2.9
On Campus	94	89.5

Table 6

Demographic Profile of Respondents by Employment Status

Employment Status	Frequency (N=104)	Percentage
Unemployed	53	50.5
Work Full-Time	2	1.9
Work Part-Time	50	47.6

Table 7

Demographic Profile of Respondents by Annual Income

Annual Income	Frequency (N=104)	Percentage
Under \$5,000	74	71.2
\$5,000-9,999	22	21.2
\$10,000-19,999	7	6.7
\$20,000-34,999	0	0.0
Above \$35,000	1	1.0

Table 8

How often do you eat out in the Greater Menomonie Area during an average week?

Eat Out on Average	Frequency (N=105)	Percentage
Never	21	20.0
1-3 times	76	72.4
4-6 times	4	3.8
7-9 times	2	1.9
10 or more times	2	1.9

Table 9

How much do you usually spend, in one visit, at a food and beverage establishment in the Greater Menomonie Area?

Spend on Average	Frequency (N=104)	Percentage
Under \$10	72	69.2
\$10-19	28	26.9
\$20-29	3	2.9
\$30-39	0	0.0
Above \$40	1	1.0

Food/beverage quality. Participants were asked to select a response that best describes their personal experience and perceptions in a variety of categories. Rating criteria included the following options; very satisfied, somewhat satisfied, neither satisfied nor dissatisfied, somewhat dissatisfied or very dissatisfied. This category included questions 9-14. Students were asked to identify how satisfied they were with the following types of food and beverage establishments in the Greater Menomonie Area. The majority of the students listed their responses as follows: bar/tavern (neither satisfied nor dissatisfied 50.5%), buffet (neither satisfied nor dissatisfied 50.5%), family dining (somewhat satisfied 53.3%), fast food (somewhat satisfied 49.5%), fine dining (somewhat satisfied 34.3%), and school cafeteria/dining services (somewhat satisfied 52.2%). Table 10 provides a graphic that summarizes the mean of each of these categories. Overall, the sample was very consistent.

Table 10

How satisfied were you with the food and beverage establishments in the Greater Menomonie Area?

Satisfaction with Establishment	Mean for Total Sample
Bar/Tavern	3.55
Buffet	3.37
Family Dining	3.98
Fast Food	3.80
Fine Dining	3.64
School Cafeteria/Dining Services	3.51

Regarding questions 15-20, respondents were prompted to identify how satisfied they were with the following characteristics of the service and food and beverage products during their most recent dining out/restaurant experience in the Greater Menomonie Area. The highest frequency of responses resulted in: customer service (somewhat satisfied 48.6%), price (somewhat satisfied 48.3%), purchase experience (neither satisfied nor dissatisfied 41.9%), quality (somewhat satisfied 55.2%), repeat purchase experience (somewhat satisfied 42.5%), and reputation of the establishment (somewhat satisfied 41.9%). Table 11 displays the mean of how satisfied the survey group was regarding each of these criteria. Responses in this area were also consistent and ranked slightly higher.

Table 11

How satisfied were you with the following characteristics of the service and food and beverage products?

Satisfaction with Service and Products	Mean for Total Sample
Customer Service	3.76
Price	3.50
Purchase Experience	3.60
Quality	3.72
Repeat Purchase Experience	3.70
Reputation of the Establishment	3.78

Next, the survey respondents were asked how important the following characteristics were when selecting a food and beverage establishment. The analysis of questions 21-33 identified that the most respondents rated the following: atmosphere/ambiance (somewhat satisfied 44.8%), clean (very satisfied 58.1%), consistency (somewhat satisfied 42.9%), delivery (somewhat satisfied 45.7%), location (somewhat satisfied 51.4%), previous purchase experience(s) (somewhat satisfied 41.9%), price (somewhat satisfied 41.9%), quality of products (very satisfied 49.5%), reputation (somewhat satisfied 53.3%), selection of menu items (somewhat satisfied 48.6%), service (very satisfied 43.8%), take out (somewhat satisfied 42.9%), and wait time to be seated: (the responses were tied with 38.1% very satisfied and somewhat satisfied). Table 12 provides further details on each of these categories and their mean response.

This data does identify some variation. Placed in rank order from the most to the least important, their preferences were: 1) clean, 2) service, 3) quality of products, 4) atmosphere/ambiance, 5) wait time to be seated, 6) consistency, 7) selection of menu items, 8) delivery, 9) reputation, 10) price, 11) previous purchase experience(s), 12) location, and 13) take out.

Table 12

How important are the following characteristics when selecting a food and beverage establishment?

Selection Characteristics	Mean for Total Sample
Atmosphere/Ambiance	4.15
Clean	4.40
Consistency	4.07
Delivery	3.99
Location	3.82
Previous Purchase Experience(s)	3.89
Price	3.95
Quality of Products	4.26
Reputation	3.98
Selection of Menu Items	4.00
Service	4.26
Take Out	3.67
Wait Time to be Seated	4.09

Customer service. For questions 34-42, participants were prompted to disclose how satisfied they were with the following characteristics of the service representatives (hostess, server, bartender, etc)? The categories with the greatest response for each resulted in: accurate (somewhat satisfied 41.9%), courteous (somewhat satisfied 50.5%), efficient/quick (somewhat satisfied 48.6%), enthusiastic (somewhat satisfied 46.7%), friendly (very satisfied 35.2%), knowledgeable of the product (somewhat satisfied 41.9%), listened carefully (somewhat satisfied 49.5%), patient (somewhat satisfied 51.4%), and willingness to help (somewhat satisfied 45.7%). Table 13 lists each of these points and their mean response. By outlining these responses in rank order with one being the most important or highest rating and nine being the lowest. The following list identifies the samples opinion in regards to how satisfied they were with the characteristics of their service representative; 1) accurate, 2) willing to help, 3) friendly, 4) courteous, 5) patient, 6) knowledgeable of the product, 7) listened carefully, 8) efficient/quick, and 9) enthusiastic.

Table 13

How satisfied were you with the following characteristics of the service representative?

Satisfaction of Service Representative	Mean for Total Sample
Accurate	4.10
Courteous	3.99
Efficient/Quick	3.87
Enthusiastic	3.73
Friendly	4.00
Knowledgeable of the product	3.94
Listened carefully	3.94
Patient	3.98
Willing to help	4.01

For question 43, students were asked if they have ever been upset with service at a food and beverage establishment in Menomonie. Their response was yes, by a slim majority. Table 14 displays this in frequency and percentage.

Table 14

Have you ever been upset with service at a food and beverage establishment in Menomonie?

Upset with Service	Frequency (N=98)	Percentage
Yes	51	52.0
No	47	48.0

To follow-up on this question, if the respondent answered yes, they were then asked to rate the process of getting their problem resolved, by selecting from the options of very poor, somewhat unsatisfactory, about average, very satisfactory, or superior. Table 15 lists these points and identifies that the greatest majority, 40.8%, felt that their problem was resolved as average. The next highest rating, 32.4%, indicated that their experience was somewhat unsatisfactory and 18.3% said their problem was resolved very poorly.

Table 15

Process of getting your problem resolved

Problem Resolved	Frequency (N=71)	Percentage
Very Poor	13	18.3
Somewhat Unsatisfactory	23	32.4
About Average	29	40.8
Very Satisfactory	4	5.6
Superior	2	2.8

If students answered yes to question 43, they were asked to identify if they intend to be a repeat customer. Table 16 shows that 64.7% selected yes they would be a repeat customer.

Table 16

Do you intend to be a repeat customer?

Repeat Customer	Frequency (N=98)	Percentage
Yes	44	64.7
No	24	35.3

Value. Questions 46-51 were included to identify the personal perceptions of their value received (degree of satisfaction considering the amount the students paid, for what they received). By applying the same rating options as identified for questions 9-42, in regards to value, the following areas were critiqued by the sample group with the highest responses: overall value for price paid (somewhat satisfied 55.2%), price (somewhat satisfied 53.3%), quality (somewhat satisfied 45.7%), quantity (somewhat satisfied 43.8%), service (somewhat satisfied 53.3%), and overall satisfaction with the service provided in the Greater Menomonie Area (somewhat satisfied 51.4%). Table 17 provides a list of each of these items and the mean of the sample. The data indicates that overall, the survey felt similar in their groups perceptions of value.

Table 17

Regarding value

Value	Mean for Total Sample
Overall Value for Price Paid	3.85
Price	3.77
Quality	3.93
Quantity	3.93
Service	3.88
Overall	3.93

Customer loyalty. The final series of questions 52-56 were set-up in a multiple choice format. In question 52 students were asked: as a result of your most recent positive dining/eating out experience, would you recommend this establishment to other people? Given the options 44% selected definitely, rather than the other options, including: probably, not sure, probably not, and definitely not. See table 18.

Table 18

As a result of your most recent positive dining/eating out experience, would you recommend this establishment to other people?

Recommendation-Positive Experience	Frequency (N=103)	Percentage
Definitely	44	42.7
Probably	38	36.9
Not Sure	15	14.6
Probably Not	4	3.9
Definitely Not	2	1.9

Using the same criteria as identified in the question listed above, respondents were then asked to reflect on their most recent negative dining/eating out experience, the students concurred that 14.6% were not sure, and 3.9% would probably not. This emphasizes the importance of good customer service and how such businesses could build return customers.

Table 19 includes the summary of the question “As a result of your most recent negative dining/eating out experience, would you recommend this establishment to other people”.

Table 19

As a result of your most recent negative dining/eating out experience, would you recommend this establishment to other people?

Recommendation-Negative Experience	Frequency (N=103)	Percentage
Definitely	4	3.9
Probably	9	8.7
Not Sure	47	45.6
Probably Not	24	23.3
Definitely Not	19	18.4

For more insight, a follow-up question linked to their negative experience listed above included the students being asked to identify how likely it would be they would visit/patronize this establishment again; their options included: very likely, somewhat likely, unknown, somewhat unlikely and very unlikely. The greatest majority, 41.6%, selected somewhat likely. See table 20.

Table 20

How likely are you to visit this establishment again?

Repeat Business	Frequency (N=101)	Percentage
Very Likely	20	19.8
Somewhat Likely	42	41.6
Unknown	27	26.7
Somewhat Unlikely	11	10.9
Very Unlikely	1	1.0

To determine what form of advertising/marketing prompted them to select the food and beverage establishment, participants were to identify all that apply. Their responses and options included: 19% billboard, 52.4% coupons or special promotions, 7.1% newspaper, 4.8% radio and 16.7% television. Placed in rank order (most important to least important) the form of advertising/marketing that prompted the survey group was: 1) coupons or special promotions, 2) billboard, 3) TV, 4) newspaper, and 5) radio. See table 21.

Table 21

What form of advertising/marketing prompted you to select this food and beverage establishment?

Advertising/Marketing	Frequency (N=84)	Percentage
Billboard	16	19.0
Coupons or Special Promotions	44	52.4
Newspaper	6	7.1
Radio	4	4.8
TV	14	16.7

The last question, 56, concluded the survey by requesting the students to select which item would motivate them the most to go to a food and beverage facility in the Greater Menomonie Area. Their choices and rate of responses included: 14.1% cleanliness, 47.1% food quality, 9.4% location, 21.2% price and 8.2% service. Listed in order of importance, these items which would motivate the sample group to go the identified establishment of their choice would be: 1) food quality, 2) price, 3) cleanliness, 4) location, and 5) service. See table 22.

Table 22

Which motivate you to go to the establishment?

Motivate	Frequency (N=85)	Percentage
Cleanliness	12	14.1
Food Quality	40	47.1
Location	8	9.4
Price	18	21.2
Service	7	8.2

Summary

In this chapter, the researcher outlined the details and discussed the findings of the study. This information was determined by conducting an analysis of the survey responses. Specific references and correlations included analyzing the respondents demographic, eating out preferences in the Greater Menomonie Area, as well as the survey participant's perceptions of value, quality, and customer service. Tabulated results and comparisons with the review of literature were made. Tables and examples were included to clarify student's positions and data findings.

Taking into consideration all of the variables of the demographics within the survey group. As well as comparing their surveys to the response rate, mean, mode/frequency, standard deviation, validity, and cumulative percent it is the researcher's opinion that this report contains both a high degree of validity and reliability. The following and final chapter presents the overview, limitations, conclusions, and recommendations.

Chapter V: Discussion

Overview

It was the intention of this researcher to discover what the current perceptions and personal experiences of a sampling of students enrolled in the Introduction to Hospitality course at the University of Wisconsin-Stout were based upon the fact that the sample included students which have a specific interest and goal to pursue a career in the hospitality industry. Thus it is the researcher's opinion that the target survey population has a suitable degree of knowledge and strong opinion of what is important in the operation of a food and beverage establishment in the Greater Menomonie Area.

Within this chapter, the researcher will outline the limitations and conclusions of the study. The conclusions are followed by the researcher's recommendations for future communications and resources for the Greater Menomonie Area Chamber of Commerce, the University of Wisconsin-Stout (Hotel, Restaurant, and Tourism Management, Golf Enterprise Management, and Service Management Programs), as well as the Community Relations Department.

Limitations of the Study

In reference to this study, it is the researcher's opinion that perhaps the major limitation was the chosen survey population, which is very small. As a clustered sample, the research was conducted by selecting a sample of approximately 100 University of Wisconsin-Stout students in the Hotel, Restaurant, and Tourism Management program. These students are active consumers in the Greater Menomonie Area. A minor limitation would be that the majority of survey subjects, 90.5%, were under the age of 21, therefore limiting the number and type of food and beverage establishments they frequent.

If more time would have been available for the researcher, additional classes would have been included in the sample. However, with the technical background and demographic diversity of the population sample, the results proved to be very interesting and inclusive. The survey included 56 questions, after completing the study, the researcher would change, question 8 within the survey. It should have specified which meal (breakfast, lunch, dinner, other). Also, a question should have been asked whether the respondent usually eats alone, or in groups of two, three, or more people. Socialization is an element that could affect the items ordered.

In conclusion, this research has documented the importance of quality customer service and that a customer's first impression is a lasting impression. The data of this project directly correlates to the degree of customer loyalty a University of Wisconsin-Stout student would have, in order to return and continue being a customer of a food and beverage facility in the Greater Menomonie Area.

Recommendations

After reviewing the final tabulations the researcher found many interesting points of information which facilitates a better understanding of customers and their needs. The results of this research showed that these establishments need to be constantly aware that they are operating their business in a very competitive market and that their customers are highly informed and well educated consumers that understand the importance of quality, value, and service. The most important recommendation would be to encourage all food and beverage owners/managers to review and implement effective recruiting, hiring, training, and performance assessment techniques which focus on achieving high levels of quality, value, and customer service. An additional recommendation would be to plan and develop a customer service seminar

for food and beverage establishments and other tourism related facilities in the Greater Menomonie Area.

As a result of the review of literature and the data analysis, the researcher has the following suggestions for future studies. Survey a larger population. Since 90.5% of the respondents were 18-20 years old, they are unlikely to dine out at food and beverage establishments that serve alcohol.

In the survey, include a list of area food and beverage establishments for the survey group to evaluate. Request the target population to point out their favorites, facilities they have not tried yet, and those they dislike. Also, include a space for comments, which would encourage respondents to provide more information. Work more closely with the Greater Menomonie Area Chamber of Commerce. Also, contact the University of Wisconsin-Stout Community Communications Director for insights and ways to share the results of this study. Other researchers should take into consideration time constraints prior to beginning such research.

Conclusion

This research clarified that there is a highly competitive business environment for food and beverage facilities which operate within the Greater Menomonie Area. While some of these ventures are very profitable it is assumed that just as many may be marginal. Therefore, to be viable in the hospitality industry marketplace in the Menomonie area, it is critical that these businesses become as efficient and effective as possible. Focusing on their human resources, these businesses should capitalize on the management expertise of the University of Wisconsin-Stout Hospitality and Tourism programs. Based upon the survey responses, businesses in the Greater Menomonie Area could benefit from a community-wide or regional customer service seminar.

While not all business owners are willing or able to adopt such a recommendation, it is suggested that at least an internal or external business assessment of their service and operations be completed. Another suggestion would be to conduct a SWOT analysis by Wood (2008), which would involve critiquing their entire business operation based on the following: strengths (internal capabilities that support achievement of objectives), weaknesses (internal factors that might prevent achievement of objectives), opportunities (external circumstances that may be exploited to achieve objectives), and threats (external circumstances that might interfere with achievement of objectives). Another effective assessment tool, according to Rainsford and Bangs (1997), would be to conduct a self analysis using the Restaurant Facilities and Operational Review.

With the results from these assessments, it would be appropriate that for those food and beverage establishments that want to remain competitive they must focus on those areas of the survey where the students identified a positive or strong perception of value. It would also be appropriate for these establishments to pay closer attention and respond to the areas where students identified negative or weak perception of value.

It is the assumption of the researcher that each of the businesses referred to in the survey, create and most importantly utilize a business plan for their operations and decision making. One of the key components to a well organized business plan would include a strategic marketing plan which would include the following six components: 1) research and analyze the current situation, 2) understand markets and customers, 3) plan segmentation, targeting, and positioning, 4) plan direction, objectives, and marketing support, 5) develop marketing strategies and programs, 6) track progress and control plan implementation (Wood, 2008).

Managing a successful food and beverage operation in today's economy and specifically in the Greater Menomonee Area is a challenging and exhausting task. Although with the skills, knowledge and services which the Hospitality, Restaurant and Tourism professors and students from the University of Wisconsin-Stout are able to share, the potential for success in these businesses could increase dramatically. The most basic components of operating a successful business venture must address the ability to identify your customer's needs and then respond accordingly. The research, data, and information gathered while completing this thesis, provides well documented information for further business planning, service strategies, and decision making. Also, by better understanding current business and market demands, innovations and other industry challenges measures the management effectiveness.

Customer service and especially customer's perceptions of value and quality are critical elements in business and especially the hospitality industry. By conforming all the things that the researcher has learned while attending the University of Wisconsin-Stout by conducting this research, working in the hospitality industry, and being a well seasoned consumer, the researcher has developed a better appreciation (Kotler, et al, 2006).

It was challenging, educational, and an interesting process working on this project. It is the researchers hope that the readers of this study will gain benefits that can result in improved marketing effectiveness, management competence, and business profitability.

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Appendix A: Survey Instrument

This project has been reviewed by the UW-Stout IRB as required by the Code of Federal Regulations Title 45 Part 46

An Analysis of University of Wisconsin-Stout Students Dining Out Purchasing Preferences Regarding Quality, Value, and Customer Service within the Greater Menomonie Area

Created By:

Amy Bark, UW-Stout Training & Development Graduate Student

The purpose of this questionnaire is to conduct a random survey of UW-Stout student's, which focuses on their perceptions and experiences regarding quality, value, and customer service when eating/dining out in the Greater Menomonie Area.

I understand that by completing this questionnaire, I am giving my informed consent as a participating volunteer in this study. I will answer all of the following questions honestly and to the best of my ability. I realize that I have the right to refuse to participate in this study.

Please fill in the appropriate circle.

Demographics

1. What is your gender?
 - A) Female
 - B) Male

2. What category includes your age?
 - A) 18-20
 - B) 21-30
 - C) 31-45
 - D) 46-59
 - E) 60 and over

3. What is your current class standing?
 - A) Freshman
 - B) Sophomore
 - C) Junior
 - D) Senior
 - E) Graduate Student

4. Where do you live?
 - A) Off campus-in Menomonie
 - B) Off campus-outside of Menomonie area
 - C) On campus

5. What is your current employment status?
 - A) Unemployed
 - B) Work full-time
 - C) Work part-time

6. Which category best describes your annual income?
 - A) Under \$5,000
 - B) \$5,000-\$9,999
 - C) \$10,000-\$19,999
 - D) \$20,000-\$34,999
 - E) Above \$35,000

7. How often do you eat out in the Greater Menomonie Area during an average week?
- A) Never
 - B) 1-3 times
 - C) 4-6 times
 - D) 7-9 times
 - E) 10 or more times
8. How much do you usually spend, in one visit, at a food and beverage establishment in the Greater Menomonie Area?
- A) Under \$10
 - B) \$10-\$19
 - C) \$20-\$29
 - D) \$30-\$39
 - E) Above \$40

Please choose the letter that best describes your personal experience and perceptions on the following items. All of the remaining questions pertain to your eating/dining out perceptions and experiences in the Greater Menomonie Area.

Food/Beverage Quality

How satisfied were you with the food and beverage establishments in the Greater Menomonie Area? Please rate the following:

- | (A) | (B) | (C) | (D) | (E) |
|--------------------------------------|--------------------|---------------------------------------|--------------------------|-------------------|
| Very Satisfied | Somewhat Satisfied | Neither Satisfied nor
Dissatisfied | Somewhat
Dissatisfied | Very Dissatisfied |
| 9. Bar/Tavern | | | | |
| 10. Buffet | | | | |
| 11. Family Dining | | | | |
| 12. Fast Food | | | | |
| 13. Fine Dining | | | | |
| 14. School Cafeteria/Dining Services | | | | |

Regarding your most recent dining out/restaurant experience in the Greater Menomonie Area:

How satisfied were you with the following characteristics of the service and food & beverage products? Please rate the following:

- 15. Customer service
- 16. Price
- 17. Purchase experience
- 18. Quality
- 19. Repeat purchase experience
- 20. Reputation of the establishment

How important are the following characteristics when selecting a food and beverage establishment? Please rate the following:

- 21. Atmosphere/Ambiance
- 22. Clean
- 23. Consistency
- 24. Delivery
- 25. Location
- 26. Previous purchase experience(s)
- 27. Price

- 28. Quality of products
- 29. Reputation
- 30. Selection of menu items
- 31. Service
- 32. Take out
- 33. Wait time to be seated

Customer Service

**How satisfied were you with the following characteristics of the service representative (hostess, server, bartender, etc.)?
Please rate the following:**

- 34. Accurate (taking the order and processing the bill payment)
 - 35. Courteous
 - 36. Efficient/Quick
 - 37. Enthusiastic
 - 38. Friendly
 - 39. Knowledgeable of the product
 - 40. Listened carefully
 - 41. Patient
 - 42. Willingness to help
43. Have you ever been upset with service at a food and beverage establishment in Menomonie?
- A) Yes
 - B) No
44. If you answered "Yes" to #43, rate the process of getting your problem resolved
- A) Very poor
 - B) Somewhat unsatisfactory
 - C) About average
 - D) Very satisfactory
 - E) Superior
45. If you answered "No" to #43, do you intend to be a repeat customer?
- A) Yes
 - B) No

Value

Regarding value (your degree of satisfaction considering the amount you paid, for what you received), please rate the following criteria:

- 46. Overall value for price paid
- 47. Price
- 48. Quality
- 49. Quantity
- 50. Service
- 51. Overall, how satisfied are you with the service provided in the Greater Menomonie Area?

Customer Loyalty

52. As a result of your most recent *positive* dining/eating out experience, would you recommend this establishment to other people?
- A) Definitely
 - B) Probably
 - C) Not Sure
 - D) Probably Not
 - E) Definitely Not
53. As a result of your most recent *negative* dining/eating out experience, would you recommend this establishment to other people?
- A) Definitely
 - B) Probably
 - C) Not Sure
 - D) Probably Not
 - E) Definitely Not
54. Please choose the letter that pertains to how likely are you to visit this establishment again?
- | | | | | |
|-------------|-----------------|---------|-------------------|---------------|
| A) | B) | C) | D) | E) |
| Very Likely | Somewhat Likely | Unknown | Somewhat Unlikely | Very Unlikely |
55. What form of advertising/marketing prompted you to select this food and beverage establishment? (Fill in all that apply.)
- A) Billboard
 - B) Coupons or Special Promotions
 - C) Newspaper
 - D) Radio
 - E) TV
56. Of the following characteristics, which would motivate you to go to the following establishment?
- A) Cleanliness
 - B) Food Quality
 - C) Location
 - D) Price
 - E) Service

Thank you for completing this survey!