

## ASSESSMENT OF CUSTOMER SATISFACTION ON HOME-BASED CATERING BUSINESS IN CABADBARAN CITY: BASIS FOR ENHANCEMENT PROGRAM

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### ABSTRACT

*A business should strive to achieve customer satisfaction. The study aimed to formulate an enhancement program on customer satisfaction among home-based catering businesses in Cabadbaran City, Philippines, where 250 customers served as the respondents of the study. The researcher used the quantitative non-experimental research design using a survey method in this study. Moreover, results revealed that customers agreed in their expectation that home-based catering business much evidently met the quality of food and is at par comparable to established hotels and restaurants; offers a more personalized service compared to others; have a very satisfactory quality service; and is reliable in fulfilling contractual agreements. Furthermore, results showed that customer's overall evaluation in perceived quality after purchasing or availing home-based catering services had been met. The customer's quality, customization, and reliability experience also displayed a very satisfactory and much experienced post-purchase transaction towards home-based catering business. Moreover, results revealed that customers were very satisfied with the value of services given the price as well as its value-based attributes. Overall, customers were highly satisfied with the food quality of home-based catering business. The researcher made a matrix on the proposed enhancement program.*

*Keywords: Business, home-based catering, customer satisfaction, enhancement program, quantitative design, Philippines*

### INTRODUCTION

A business should strive to achieve customer satisfaction. Failure to deliver customer satisfaction often results to catastrophic outcomes such as negative word of mouth, complaining behavior and guest and closure/ bankruptcy. On the other hand, delivering customer satisfaction can enhance word of mouth referrals and customer loyalty and even sustainability (Kim, Kim and Heo, 2019). In Taiwan, customers in the catering industry are brand conscious. Hence, having a

good brand/reputation is considered to be indispensable since customers make inferences about product/service quality using the image of the seller (Chien-Hsiung, 2011). Thus, perception of value and customer expectation can be seen as a measure of customer satisfaction. Customer satisfaction can be influenced primarily by service, price and food quality. The perceived quality and value have a direct and positive impact on customer satisfaction. In the Philippines, particularly in Batangas, Espino (2017) explained that delivering customer satisfaction

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P – ISSN 2651 - 7701 | E – ISSN 2651 – 771X | [www.ioer-imrj.com](http://www.ioer-imrj.com)

JUERA, W. B., *Assessment of Customer Satisfaction on Home – Based Catering Business in Cabadbaran City: Basis for Enhancement Program*, pp. 118 – 124



is an utmost priority in the food business. However, business owners should make sure that operational efficiency is ensured while making an effort to satisfy customers. Further, customer satisfaction can be achieved by effectively using product, policies, people, processes and being proactive in dealing with clients. In the locality, more specifically in Cabadbaran City, there are a handful of home-based catering businesses that are competing against well-established hotels and restaurants. Some of them experience a certain level of success due to the fact that they are offering a relatively low price and more personalized service compared to other hotels and restaurants. But most of the time, home-based catering businesses struggle to attain long term success because of their failure to consistently deliver customer satisfaction which negatively affects their ability to acquire new customers, retain existing customers, convert existing customers to loyal customers and achieve growth and long-term success.

Despite the abundance of literatures about customer satisfaction, few literatures are found about customer satisfaction in the catering industry and there is no existing research that seeks to formulate a customer satisfaction enhancement program in home-based catering business. For this reason, the proponent was compelled to conduct this study. This study is anchored in the proposition of Perutkova (2009) who stated that an increased level of customer's satisfaction contributes to the increase in profit and income of hotels and restaurants. Increased satisfaction also strengthens customer's loyalty towards a particular product which can be attributed to repeat purchase and growth of product sales. Moreover, Sun and Kim (2013) also emphasized that one of the essential factors of the company's past, present and forthcoming performance is customer satisfaction because this can identify a customer's retention; thus, making this variable worthy for food industry's attention.

The anchored theory is supported by the proposition of Harrington, Ottenbacher,

Staggs, and Powell (2011) who emphasized that improving or sustaining customer's satisfaction is vital to hotel and restaurant management since it gives high impact on the company's financial growth and development. Further, in the National Restaurant Association (2009) report survey revealed that 60 percent of the new restaurant establishments were unsuccessful in their business operation because of the mistake in ignoring to satisfy their customers. Thus, providing quality services like addressing complaints, and honoring their suggestions can increase their level of satisfaction essential to any business marketers since it gives a direct influence on improving the establishment's performance (Parsa, Gregory, Self and Dutta, 2012). Practically, lastly, food quality or reliability (Andaleeb and Conway, 2016), and customer loyalty (Katona & Kamorami, 2014), and (Harrington et al., 2011) mentioned that restaurants should continuously check customers' wants, needs, and expectations to meet their demands regarding their services to ensure customer satisfaction in the long run.

## OBJECTIVES OF THE STUDY

The main objective of this study was to formulate an enhancement program about customer satisfaction among home-based catering businesses in Cabadbaran City. This study sought to achieve the following objectives. 1) To assess the level of customer satisfaction among home-based catering business in Cabadbaran City in terms of customer expectation; perceived quality; perceived value; food quality; customer satisfaction index; and customer loyalty; and 2) To establish an enhancement program based on the result of the study on customer satisfaction among home-based catering business in Cabadbaran City.

## METHODOLOGY

The researcher used the quantitative non-experimental research design using a



survey method in this study. Non-experimental design describes existing phenomena without manipulating conditions to affect subjects' responses and there were no manipulations of an independent variable. Furthermore, non-experimental research design was used when variables were not deliberately manipulated, nor was the setting controlled. More so, a survey method was used to collect information from different subjects within a given population having the same characteristics of interest. Survey method is popular for receiving data in non-experimental designs (Radhakrishnan, 2013). The subjects and respondents of the study were the customers/clients of the home-based catering business in Cabadbaran City. Using a random sampling technique, 250 customers served as the respondents of the study. Shown below is the distribution of respondents with 146 household clients and 104 office customers equivalent to 58 percent and 42 percent of the whole sample size, respectively. In this study, the researcher used an adapted questionnaire from Fornell et al. (1996); Andaleeb and Conway (2016); and Katona and Kamorami (2014). The researcher modified and contextualized the statements based on the local setting that helped the respondents understand and relate the items on the survey. Further, the researcher identified two external research personnel from another university who were master's degree holder and were handling research subjects for content validation.

**RESULTS AND DISCUSSION**

**1. Level of customer satisfaction among home-based catering business in Cabadbaran City**

**1.1 Level of customer satisfaction in terms of customer expectations.** The mean scores of each item in customer expectations towards home-based catering business in Cabadbaran City were with an overall mean of 3.80 described as high with a standard

deviation of 0.71. The result means that customers' expectation towards home-based catering business in Cabadbaran City was much evident.

**Table 1**  
*Summary on the level of customer satisfaction among home-based catering business in Cabadbaran City*

Indicators	Mean	SD Level	VI
Customer Expectation	3.80	0.71	High
Perceived Quality	3.64	0.78	High
Perceived Value	3.60	1.02	High
Food Quality	3.45	1.06	High
Customer Satisfaction Index	3.37	1.00	Moderate
Customer Loyalty	3.50	0.96	High
<b>Overall</b>	<b>3.56</b>	<b>0.14</b>	<b>High</b>

This means that expectations of customers with regard to food quality and service were met by home-based catering businesses in Cabadbaran City. The result was in line with the claims of Ryu, Lee and Gon Kim (2012) that customers' expectation of food quality and service quality is the basis in which customers evaluate their satisfaction levels. Hence, businesses should have an accurate understanding of what customers expect from them and utilize resources to meet customers' expectations. This mirrored the pronouncement of Ryu and Han (2010); and Qin and Prybutok (2009) who exclaimed that expectations of food quality and service quality are a key determinant of customer satisfaction and behavioral intention.

**1.2 Level of customer satisfaction in terms of perceived quality.** The overall mean score for the indicator perceived quality towards home-based catering business in Cabadbaran City was 3.64 with a standard deviation of 0.78 described as high. This means that customers' perceived quality towards home-based catering business in Cabadbaran City was much evident. This implies that customers' overall evaluation in



perceived quality after purchasing or availing home-based catering services had been met.

The customer's quality, customization, and reliability experience also displayed a very satisfactory and much experienced post-purchase transaction towards home-based catering business. The result was in accordance to the findings of Chen and Chen (2010) who elaborated that the quality of the customers' experience was pivotal in determining customer satisfaction. Moreover, Ha and Jang (2010) pointed out that customers experience towards restaurants and catering business is an important requisite in molding their perception of quality towards the products/services of the business. Hence, business needs to ensure that the overall experience of customers was satisfying to develop positive behavioral intentions.

**1.3 Level of customer satisfaction in terms of perceived value.** The level of customer satisfaction in terms of perceived value among home-based catering business in Cabadbaran City showed with an overall mean score of 3.60 with 1.02 standard deviation and described as high. The result shows that the customers' perceived value towards home-based catering business was much evident. This means that customers of home-based catering business in Cabadbaran City were highly satisfied with the value of services, given the price as well as its value-based attributes. Customers also displayed a favorable response on the benefits they got among home-based catering business, and they agreed that the price of the services was worth it. Ha and Jang (2010) explained that the taste of food among food service providers is a key ingredient in developing customer satisfaction. Moreover, Liu and Jang (2009) added that businesses can satisfy customers by enhancing perceived value and that their perception of value increases if they perceived that they were getting more than what they paid for.

**1.4 of Level customer satisfaction in terms of food quality.** The overall mean

score of the indicator food quality was 3.45 with a standard deviation of 1.06, described as high. This means that customers rate on the level of food quality served by the home-based catering business was much evident. This means that customers were satisfied when their orders were served exactly as agreed during and after the purchase transactions. They were also delighted since the foods were freshly served most of the time with just a few errors. The result was in line with the findings of Ryu and Han (2010) who argued that the quality of food service is a dimension in which customer satisfaction is formed. This was strengthened by Ryu, Lee and Gon Kim (2012) who shared a similar viewpoint that food and service quality are an important reason why customers are satisfied among restaurants and catering business.

**1.5 Level of customer satisfaction in terms of customer satisfaction index.** The level of customer satisfaction in terms of customer satisfaction index among home-based catering business in Cabadbaran City had an overall mean score of 3.37 with a standard deviation of 1.00, described as high. The results indicate that the customers' satisfaction index among home-based catering business was much evident.

This implies that customers see that staff and management of home-based catering business were friendly and attentive most of the time and provide fast service. Customers' overall rating towards home-based catering business was very satisfactory since performance exceeded their expectations and they agreed that it was much better than other established hotels and restaurants. The result was in support to the customer satisfaction index where employees' friendliness was seen to play a large part in delivering customer satisfaction. Moreover, Meng and Elliott (2008) nurtured the same point of view that relationship quality is enhanced when restaurants and catering business employ friendly and approachable staff. Thus, close personal relationship

between the customer and service provider creates customer satisfaction.

**1.6 Level of customer satisfaction in terms of customer loyalty.** The overall mean score of customer's loyalties towards home-based catering business was 3.50 with a standard deviation of 0.96, described as high. This means that the level of customer loyalty towards home-based catering business was much evident in Cabadbaran City. Moreover, customers' displays high chances to repurchase and will recommend home-based catering business to others. They were also eager to avail its services in the future even if the price of the services increases.

## 2. ENHANCEMENT PROGRAMS

Since the level of customer satisfaction was only high, the researcher targeted on elevating the indicators of the said variables. The main objective was to enhance the level of customer satisfaction towards home-based catering businesses in Cabadbaran City. Further, each program aimed to enhance the perception of food quality and perceived value and manage customer perception. Some strategies were as follows: improve service quality, maintain appropriate food temperature, ensure hygiene and cleanliness of food, maintain freshness of ingredients, increased food servings and develop clear understanding of customer expectation.

## CONCLUSION

This study was conducted to determine the level of customer satisfaction among home-based catering businesses in Cabadbaran City. Based from the findings of the study, conclusions are drawn in this section.

1. The level of customer satisfaction among home-based catering businesses is high in the items of customer expectation, perceived

quality, perceived value and food quality.

2. The level of customer satisfaction among home-based catering business is moderate in terms of customer satisfaction index.

## RECOMMENDATION

In light of the foregoing findings and conclusions, the following statements and recommendations are drawn:

1. Since the level of customer satisfaction in terms of customer expectations among home-based catering businesses in Cabadbaran City is high, it may be met more accurately and consistently by managing customer expectation through proper communication with regard to the expected outcomes of the customers.
2. Meeting expectation is the only way to satisfy customers. It is important that service providers are aware of what customers are expecting from them. This may be done by strategically using marketing activities such as advertising, branding, positive word of mouth and delivering delightful customer experience are proven ways to enhance customer expectations.
3. Since the level of customer satisfaction in terms of perceived quality is high, the proponent suggests innovation to the catering services by improving perception of quality by means of upgrading catering equipment or ensuring cleanliness of equipment, displaying proper hygiene, ensuring food safety and proper food temperature all throughout the catering service to improve perceived quality.

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