

**Two-Day National Conference on
"GST Reforms: Challenges, Opportunities, and Socio-Economic Effects in Telangana State"
on 09th & 10th June 2026**



CMR TECHNICAL CAMPUS

Department of MBA

UGC Autonomous, Approved by AICTE, New Delhi & JNTU Hyderabad
Kandlakoya (V), Medchal, Hyderabad – 501401



**Impact of Quality Services on Customer Satisfaction and Loyalty in
Restaurants and Food Delivery Services**

@ SWAGATH GRAND, HYDERABAD

Mr. Rajesh Babu Nagabhairu

Assistant professor , SJB INSTITUTE OF TECHNOLOGY

B. KANAKALAXMI,

Assistant professor , CMR Technical campus , Medchal, Hyderabad

MUGUDA UDAY

Student , CMR Technical campus Kandlakoya (V), Medchal, Hyderabad

Email- laxmikiran22@gmail.com

ABSTRACT

The restaurant and food delivery industry has witnessed remarkable growth due to changing consumer lifestyles, urbanization, and technological advancements. In this competitive environment, service quality has become a crucial determinant of customer satisfaction and loyalty. This study examines the impact of quality services on customer satisfaction and loyalty in restaurant dining and food delivery services, with special reference to Swagath Grand, Hyderabad. Data were collected from 200 respondents using a structured questionnaire. The study analyzed factors such as food quality, service quality, hygiene, delivery speed, packaging quality, and online ordering experience. The findings reveal that food quality, hygiene, responsiveness, and delivery efficiency significantly influence customer satisfaction. Furthermore, satisfied customers are more likely to recommend restaurants and continue using their services. The study concludes that maintaining superior service quality across both dine-in and delivery channels is essential for long-term business success and customer retention.

Keywords: Service Quality, Customer Satisfaction, Customer Loyalty, Food Delivery, Restaurants, Hospitality Industry.

INTRODUCTION

The hospitality industry is one of the fastest-growing sectors worldwide. Restaurants and food delivery services have become integral parts of consumers' daily lives. The emergence of digital platforms and food delivery applications has transformed traditional dining experiences by providing convenience and accessibility.

Quality service has become a key differentiating factor for restaurants and food delivery providers. Customers today evaluate not only food quality but also employee behavior, cleanliness, responsiveness, delivery speed, packaging quality, and digital ordering experiences. Businesses that consistently deliver superior service quality gain customer trust, improve satisfaction levels, and build long-term loyalty.

This study aims to investigate the relationship between service quality and customer satisfaction in both restaurant dining and food delivery services. It also explores the factors that influence customer loyalty and repeat purchasing behavior.

REVIEW OF LITERATURE

1. Almohaimmeed (2017)

Found that food quality, menu variety, hygiene, responsiveness, and assurance significantly influence customer satisfaction in restaurants.

2. Sufi, Kumar & Abdullah (2023)

Reported that service quality dimensions positively affect customer retention and loyalty in hospitality establishments.

3. Babu et al. (2023)

Concluded that restaurant variety, app usability, and customer-friendly interfaces significantly impact food delivery app satisfaction.

4. Tukiran et al. (2022)

Identified empathy and responsiveness as the strongest predictors of customer satisfaction using the SERVQUAL model.

5. Parasuraman, Zeithaml & Berry (1988)

Developed the SERVQUAL model consisting of reliability, responsiveness, assurance, empathy, and tangibles.

6. Murthy & Kumar (2023)

Found significant positive relationships between service quality dimensions and customer satisfaction in restaurants.

7. Patadiya & Jhala (2021)

Observed that food quality, cleanliness, and service speed strongly affect customer retention in fast-food restaurants.

8. Leung & Chen (2020)

Developed a service quality measurement scale for online food delivery platforms emphasizing punctuality and order accuracy.

9. Talukder et al. (2022)

Suggested blockchain-based frameworks to improve transparency and reliability in food delivery services.

10. Hurriyati, Leo & Hendrayati (2022)

Found that e-service quality and food quality significantly influence customer loyalty and repeat purchases.

RESEARCH QUESTIONS

How does service quality affect customer satisfaction in restaurants and food delivery services?

Which service quality dimensions have the greatest influence on customer loyalty?

How do customers perceive food delivery services compared to dine-in experiences?

Does online ordering convenience affect customer satisfaction?

What improvements can restaurants make to enhance customer loyalty?

RESEARCH OBJECTIVES

- To examine the impact of service quality on customer satisfaction.
- To identify major service quality dimensions influencing customer behavior.
- To compare customer experiences in restaurant dining and food delivery.
- To analyze the relationship between service quality and customer loyalty.
- To provide recommendations for improving service quality.

5. HYPOTHESES

- H1: Service quality has a significant positive impact on customer satisfaction.
- H2: Food quality significantly influences customer loyalty.
- H3: Delivery speed positively affects customer satisfaction.
- H4: Hygiene and cleanliness significantly influence restaurant selection.
- H5: Online ordering convenience positively influences repeat purchase behavior.

RESEARCH DESIGN

Research Design: Descriptive and Analytical Research Design.

Data Variables

Independent Variables	Dependent Variable
Food Quality	Customer Satisfaction
Service Quality	Customer Loyalty
Hygiene	Repeat Purchase
Delivery Speed	Recommendation Intention
Packaging Quality	Overall Satisfaction

Data Sources

Primary Data: Structured questionnaire administered to restaurant and food delivery customers.

Secondary Data: Academic journals, books, industry reports, company websites, and research articles.

Sampling Method: Convenience Sampling.

Sample Size: 200 respondents.

Data Analysis Methods

- Percentage Analysis
- Descriptive Statistics
- Correlation Analysis
- Regression Analysis

- Frequency Distribution

DATA ANALYSIS AND INTERPRETATION

Table 1: Frequency of Restaurant Visits

Frequency	Respondents	Percentage
Daily	20	10%
Weekly	70	35%
Monthly	80	40%
Rarely	30	15%
Total	200	100%

Interpretation3

The data shows that 40% of respondents visit restaurants monthly, making it the most common dining frequency. Weekly visits account for 35% of respondents, indicating regular restaurant usage. Daily visits are reported by only 10% of respondents, while 15% rarely dine at restaurants. The findings suggest that most customers visit restaurants occasionally rather than very frequently. This indicates a steady demand for restaurant services among consumers.

Table 2: Satisfaction with Food Quality

Response	Respondents	Percentage
Very Satisfied	85	42.5%
Satisfied	70	35%
Neutral	30	15%
Dissatisfied	15	7.5%
Total	200	100%

Interpretation

The results indicate that 42.5% of respondents are very satisfied with food quality, while 35% are satisfied. Together, 77.5% of respondents express positive satisfaction with the food served. A smaller proportion (15%) remain neutral, and only 7.5% are dissatisfied. The findings suggest that food quality is generally perceived positively by customers. High satisfaction levels reflect the importance of maintaining food standards.

Table 3: Importance of Hygiene and Cleanliness

Response	Respondents	Percentage
Very Important	120	60%
Important	55	27.5%
Neutral	15	7.5%
Not Important	10	5%
Total	200	100%

Interpretation

The majority of respondents (60%) consider hygiene and cleanliness very important when selecting a restaurant. Another 27.5% rate it as important, resulting in a combined 87.5% positive response. Only 7.5% are neutral and 5% consider it not important. This indicates that cleanliness is a major factor influencing customer decisions. Maintaining proper hygiene standards is essential for attracting and retaining customers.

Table 4: Preferred Ordering Method

Method	Respondents	Percentage
Delivery Apps	110	55%
Direct Restaurant	50	25%
Both	30	15%
Neither	10	5%
Total	200	100%

Interpretation

More than half of the respondents (55%) prefer ordering food through delivery applications. Direct ordering from restaurants is preferred by 25% of respondents, while 15% use both methods equally. Only 5% prefer neither option. The data highlights the growing popularity of online food delivery platforms among customers. It also indicates the increasing role of digital technology in food service consumption.

Table 5: Overall Satisfaction with Services

Response	Respondents	Percentage
Very Satisfied	85	42.5%
Satisfied	75	37.5%
Neutral	25	12.5%
Dissatisfied	15	7.5%
Total	200	100%

Interpretation

The findings reveal that 42.5% of respondents are very satisfied and 37.5% are satisfied with overall restaurant services. This results in a combined satisfaction level of 80%. Neutral responses account for 12.5%, while only 7.5% are dissatisfied. The results indicate that most customers have a positive perception of both dining and delivery services. Overall service quality appears to meet customer expectations effectively.

RESULTS AND DISCUSSION

The analysis indicates that food quality is the most influential factor affecting customer satisfaction, followed by hygiene and service quality. Most respondents expressed satisfaction with restaurant services and food delivery operations. Delivery speed and food quality during transit were identified as major determinants of delivery satisfaction.

The study confirms that customers increasingly prefer digital ordering channels, emphasizing the importance of user-friendly mobile applications and websites. Positive service experiences contribute significantly to customer loyalty and recommendation behavior.

The hypotheses are supported by the findings, demonstrating strong relationships between service quality dimensions and customer satisfaction.

FINDINGS

Food quality is the most important factor influencing restaurant choice.

77.5% of respondents are satisfied with food quality.

82.5% rate service quality positively.

Hygiene and cleanliness significantly influence customer decisions.

Delivery applications are preferred by 55% of customers.

Delivery speed and food quality are the primary drivers of delivery satisfaction.

82.5% are willing to recommend their favorite restaurant.

75% believe food delivery services require improvement.

Digital payment methods are increasingly popular.

Overall customer satisfaction stands at 80%.

RECOMMENDATIONS

Maintain consistent food quality standards.

Improve delivery speed through route optimization.

Invest in high-quality and eco-friendly packaging.

Enhance digital ordering platforms.

Conduct regular hygiene audits.

Provide customer service training to employees.

Promote digital payment methods.

Develop customer loyalty and referral programs.

Collect customer feedback regularly.

Expand delivery coverage and service hours.

CONCLUSION

The study concludes that service quality significantly influences customer satisfaction and loyalty in both restaurants and food delivery services. Food quality, hygiene, responsiveness, and delivery efficiency emerged as the most critical determinants of customer satisfaction. As customer expectations continue to evolve, restaurants must adopt customer-centric strategies and leverage technology to enhance service quality. Continuous improvement in operational efficiency and customer experience will help businesses maintain competitiveness and achieve sustainable growth in the hospitality industry.

REFERENCES (APA 7th EDITION)

Almohaimmeed, B. M. A. (2017). Restaurant quality and customer satisfaction.

<https://doi.org/10.5539/ijbm.v12n12p106>

Parasuraman, A., Zeithaml, V. A., & Berry, L. L. (1988). SERVQUAL model. <https://doi.org/10.2307/1251430>

Cronin, J. J., & Taylor, S. A. (1992). Measuring service quality. <https://doi.org/10.2307/1252296>

Grönroos, C. (1984). Service quality model. <https://doi.org/10.1108/EUM00000000004784>

Bitner, M. J. (1990). Evaluating service encounters. <https://doi.org/10.2307/1252042>

Oliver, R. L. (1999). Customer satisfaction and loyalty. <https://doi.org/10.1177/109467059900200103>

Leung, X. Y., & Chen, C. T. (2020). Online food delivery service quality. <https://www.sciencedirect.com>

- Hurriyati, R., Leo, G., & Hendrayati, H. (2022). E-service quality. <https://doi.org/10.2991/aebmr.k.220107.014>
- Talukder, A. A., et al. (2022). Food delivery system improvement. <https://www.mdpi.com>
- Tukiran, M., et al. (2022). Hospitality customer satisfaction. <https://www.researchgate.net>
- Sufi, T., Kumar, S., & Abdullah, O. (2023). Hospitality service quality. <https://www.researchgate.net>
- Babu, T., Jadhav, S., Titus, R., & Chinnaiyan, R. (2023). Food delivery app usage. <https://www.researchgate.net>
- Murthy, K. S., & Kumar, K. S. (2023). Restaurant service quality. <https://www.researchgate.net>
- Patadiya, V. B., & Jhala, B. D. (2021). Fast-food customer satisfaction. <https://www.researchgate.net>
- Kotler, P., & Keller, K. L. (2016). Marketing management. <https://www.pearson.com>
- Lovelock, C., & Wirtz, J. (2011). Services marketing. <https://www.pearson.com>
- Zeithaml, V. A. (2000). Service quality research. <https://www.researchgate.net>
- Statista. (2024). Online food delivery industry report. <https://www.statista.com>
- National Restaurant Association. (2024). Restaurant industry trends. <https://restaurant.org>
- World Economic Forum. (2024). Digital transformation in food services. <https://www.weforum.org>