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Abstract
This paper examines the issue of racial discrimination of Black United States (U.S.) restaurant patrons from a service quality and customer satisfaction perspective. In spite of the progress the industry has made in recent years to alleviate this problem, many contemporary examples clearly demonstrate that racial discrimination is still of great concern. The articles stresses the importance of an ethical approach in human resource management-intensive and offers suggestions for reducing discriminatory practices in U.S. restaurant service delivery.

Keywords
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Service Quality and Black Customer Satisfaction – A Perspective on the United States Restaurant Industry

By Ivan B. Turnipseed, and Karl J. Mayer

This paper examines the issue of racial discrimination of Black United States (U.S.) restaurant patrons from a service quality and customer satisfaction perspective. In spite of the progress the industry has made in recent years to alleviate this problem, it is apparent that racial discrimination still exists in the U.S. restaurant industry. Herein, the term “Black”, rather than “African-American”, is deliberately used to emphasize that patrons ‘of color’ are routinely subjected to such practices simply because of their perceived racial background. Varying shades of “black” skin, while clearly a hallmark of African-Americans (i.e., “[Americans] of African and especially of black African descent”), are also common to a host of U.S. restaurant diners who are not American citizens, as well as consumers who are not members of the Negroid race (Merriam-Webster’s 2001). With this distinction in mind, the paper begins with a brief overview of service quality and customer satisfaction from the services marketing and hospitality literature. It then turns to a discussion of recent examples of incidents involving racial discrimination in U.S. restaurants. Finally, by taking a service quality approach, it explores possible solutions that can help restaurant operators to alleviate these discriminatory practices.

Service Quality Concepts

Service quality is conceived of as the difference between a customer’s expectations and perceptions of a service (Gronroos, 1984). The evaluation of service quality focuses expressly on key service dimensions, as identified in the pioneering work of Parasuraman, Zeithaml and Berry, 1988. Their research developed the Gaps Model of Service Quality as an organizing framework to understand and diagnose service quality problems. From the customers’ vantage point, service quality is a focused assessment that reveals their views of service elements, including interaction quality, physical environment quality, and outcome quality. These elements are appraised using five specific service quality dimensions: reliability; assurance; responsiveness; empathy; and, tangibles.

Reliability is a firm’s ability to execute promised services dependably and correctly; responsiveness is the employees’ readiness to assist guests and provide prompt and efficient service; assurance is the service staffs’ knowledge, professionalism, and ability to engender trust and confidence; empathy is the individualized, caring attention given to customers; and, tangibles are the physical facilities, equipment, employee costumes, and written materials that are present in the service environment (Parasuraman, Zeithaml and Berry, 1985).

Titiz (2001) submits that “service is useful labor that does not produce a tangible commodity”. Although addressing guests’ needs and expectations is absolutely essential to the service delivery process, the extent to which the service provider has succeeded in this regard is often not immediately clear. “Our customers…may ultimately tell us that quality service is not a ‘what’ but a feeling,” and, while “it is difficult to evaluate a feeling…the service encounter has tangible artifacts that we can evaluate” (Titiz, 2001). The point is that customers may not know what service looks like or what it takes to bring it together, but they know what it feels like when they experience it. Though guests may not always be able to completely articulate service outcomes, these perceived outcomes play an important role in customer satisfaction and ought
to be gauged. (Tetz, 2001) While service itself is not a concrete and easily measured concept, it is nevertheless quantifiable as an assessment of its more distinctive elements—reliability, assurance, responsiveness, empathy, and tangibles. In the literature, this measurement has generally been accomplished using the SERVQUAL instrument, first developed by Parasuraman, Zeithaml, and Berry, or one of its subsequent derivatives.

O'Neil presents a customer-perceived definition of service quality in which an organization supplies goods or services to a specification that satisfies guests' needs (2001). Thus, he indicates that service quality is a customer issue, regardless of what the service provider thinks; if a patron is not satisfied, the service provider has failed (O'Neil, 2001). Bigelow (2003) notes that a firm's perception of its service may not match that of its customers. He recommends that managers initiate several steps, including taking all of their 'competent' service staff and talking with customers and suppliers, then asking the customers what they need, want and value, and how they define 'service'. Bigelow characterizes this as a simple step, but one that must be accomplished at all levels of an organization when dealing with existing or perspective customers. Successful service providers employ various forms of information gathering to truly ascertain patrons' needs and desires and determine whether their efforts are effective from the customers' viewpoints.

Customer Satisfaction Distinguished from Service Quality

Service quality and customer satisfaction are often used interchangeably by practitioners because both are evaluation variables relating to consumers' perceptions about a given product or service. However, service quality differs from satisfaction. Satisfaction is a cognitive evaluation by a consumer, whereas objective attributes are used to assess quality. In the literature, satisfaction is generally regarded as the broader of the two constructs, with service quality serving as a component of customer satisfaction. (Oliver, 1994) Thus, the perception of service quality affects a guest's feeling of satisfaction, which will then affect his or her loyalty and future purchasing decisions (Knutson 2001). While satisfaction can result from many aspects of an organization, whether quality related or not, service quality perceptions are specifically related to quality attributes or dimensions. However, both service quality and satisfaction are vital in helping guests frame their future purchase intentions (Zeithaml and Bitner, 2003).

According to Oliver, satisfaction is the customer's fulfillment response and is more experiential in nature than service quality. He states that satisfaction is a consumer's judgment that a product or service feature, or the product or service itself, provides a pleasurable level of consumption-related fulfillment. This judgment is not a static one, but a dynamic, moving target that may evolve over time. Zeithaml and Bitner state that satisfaction is the customers' evaluation of a product or service in terms of whether that product or service has met their needs and expectations. Thus, in order for customers to be satisfied, they must be fulfilled, and some aspect of an offered product or service must supply guests with a desirable amount of pleasure.

In the case of pure services, service quality will be the dominant element in customers' evaluations (Zeithaml and Bitner, 2003). Because services have unique features that make them distinctive from physical products, including intangibility, heterogeneity, inseparability of production and consumption, and perishability, consumers' assessments of services tend mainly to be a function of their experiences during the exchange process. Services researchers have suggested that consumers judge the quality of services based on their perceptions of the technical outcome provided, the process by which that outcome was delivered, and the quality of the physical surroundings where the service is delivered (Gronroos, 1984; Zeithaml and Bitner, 2003). Therefore, rather than merely ensuring that customers are satisfied with the physical features of a product, service providers must make certain that customers receive what they wanted and expected, are served expeditiously and treated appropriately by service personnel, and are content with the service landscape that is provided.
Consumers initially anticipate a certain level of service and ultimately must perceive that their minimum requirements have been met. A firm’s failure to meet needs and expectations is assumed to result in dissatisfaction with the product or service. Service providers seek to avoid customer dissatisfaction and the corresponding business consequences. Because the assessment of customer satisfaction is fluid, companies must continually expend effort to provide consumers with pleasing experiences. Customer satisfaction is influenced by specific product or service features and also by perceptions of quality. However, guest satisfaction is also influenced by customers’ emotional responses, their attributions, and their perceptions of quality. Therefore, constant evaluation of the specific aspects of proffered products or services and the service delivery process can help ensure that service providers will fulfill consumers’ needs (Zeithaml and Bitner, 2003). Clearly, a company should work to consistently satisfy its patrons in order to maintain a solid customer base and increase its profit levels.

According to Schlossberg (1990), marketing research professionals typically define customer satisfaction as the ability to serve patrons well and to maintain business relationships. The underlying assumption is that satisfied customers will translate into repeat business. Creating a proactive customer satisfaction environment requires that management knows customers’ perceptions of quality in terms of what is important to them, then translates this knowledge into priorities and a database for management to use to increase customer satisfaction. Managers must view customer satisfaction management as a permanent process. In fact, a company must evaluate its whole organization because all employees contribute to maintaining customer satisfaction, and everyone must see their role in this regard (Schlossberg 1990). Constantly satisfying consumers requires understanding what they value and using this information to prepare corporate processes and personnel at every organizational level to deliver accordingly. With this perspective in mind, the paper turns next to a discussion of recent incidents involving racial discrimination in U.S. restaurants, and how adopting a service quality approach can aid in reducing, or eliminating, such incidents.

Discrimination in U.S. Restaurants – Reported Incidents

Although racial discrimination may no longer be pervasive in the U.S. restaurant industry, it would be naïve to argue that it no longer exists, as a number of recent incidents demonstrate. For example, a University of Florida research study found that travel for college-educated Blacks is often tainted by racial discrimination at hotels, restaurants and amusement parks while they engaged in leisure travel (Keen 2001). In May 2004, at an upscale Miami (South Beach) restaurant, an incident occurred involving Charles Thompson, a 40-year-old Black diner and an employee of American Express. Even though he had eaten at the establishment frequently in the past, the manager charged him a mandatory 15 percent tip on this occasion, although he had never seen the charge on his past visits. Thompson examined the bill of two nearby White customers, whose bills did not contain a mandatory gratuity. When he complained about the tip, the restaurant’s owner stated that “You people don’t tip well,” and this was the explanation offered for the charge. Thompson, who was dining with a Black co-worker, Theresa White, contacted the Miami Beach police, and the police officers said that the restaurant owner gave them the same explanation about his rationale for the mandatory gratuity. (Spencer, 2004)

Of all well-known U.S. restaurants, the Denny’s restaurant chain seems to have had the most difficult time in providing unbiased service for people of color. Denny’s troubles go back many years. For example, U.S. Secret Service agents went to a Denny’s restaurant in Annapolis, Maryland and waited nearly an hour to order while their White companions were served promptly and waited on with second and third helpings. (Public Accommodations Project, n.d.) A 1991 incident in Sacramento, California occurred in which a White male resident was promptly seated at a Denny’s restaurant. However, when his wife, who is Black, joined him, the waitress’s demeanor changed dramatically. She slammed down a platter of spaghetti in front his wife, splashing her blouse with tomato sauce. (Ferraro, 1995) Another incident involving Denny’s
occurred on July 31, 1999 in Round Rock, Texas. Despite plenty of vacant tables and less than a dozen restaurant patrons, two Black men and a Hispanic woman were informed by a Denny's worker that they could not be seated for fifteen minutes because of a shortage of cooks. However, within seconds of their being refused seating, two White customers entered the restaurant and were seated immediately. (see Three Minority Individuals Sue Denny's in Round Rock for Racial Discrimination, 1999) After being seated, one of the Black men, Douglas McNeal, was told that he and his party had to pay for their meals when they ordered them. After observing a White couple order and pay for their food at the counter, Mr. McNeal questioned the waitress, and was informed that "some black guys had been in earlier who made a scene and walked out without paying their bill... so the manager now wanted all blacks to pay up front" (Dunham 2001).

While incidents of racial discrimination at Denny's are widely known, many other episodes speak to the prevalence of the racial discrimination of Blacks in U.S. restaurants. Four members of a gospel-singing group filed a lawsuit saying that workers at a Waffle House in Monroe, North Carolina made them give up their seats so White patrons could sit. On February 11, 2001, the men went to the counter, placed to-go orders, and sat at counter stools. They later asked to eat in the dining room. Minutes later, a White security officer 'in an aggressive tone' told them to move, as several White customers who had come in needed to sit. After the men told the officer they intended to dine in the restaurant, he ordered them to leave. The men went to their bus as the security guard taunted them. Although the local police came to the scene, they did not file charges. A spokesperson for Waffle House said the firm regularly trains workers on its anti-discrimination policies and suggested that poor service can sometimes be misread as racial bias. (Frazier, 2001) In July 2000, a Virginia family was refused service at a Waffle House restaurant in Walterboro, South Carolina when an employee advised "We don't serve n----e here" (Frazier, 2001). In an attempt at service recovery, company officials sent the family a letter of apology and a coupon for $20 off their next meal at the chain.

On June 3, 1999, a Souper Salads restaurant manager in Austin, Texas had two Black couples and their six children removed from a restaurant after they complained about finding bugs and gnats throughout the salad bar. After one of the kids discovered insects in his food, his father asked the manager, who was standing nearby, if he would restock the salad bar so the families could have sanitary food. The manager said he already knew about the situation and walked away. The families got soup and returned to their seats, figuring the manager would switch out the salad bar and put it in sanitary condition. Later on, three police officers entered the restaurant, spoke with the manager, went to the families' table, and informed them the restaurant manager wanted them to leave. After learning the manager did not want to talk with the party, approach them, or 'deal with them at all,' the officers escorted the families out of the facility to prevent any more issues. (See Two African-American Families Sue Souper Salads Restaurant for Racial Discrimination, 1999)

In fiscal year 2001, the Vermont Human Rights Commission dealt with a case where a restaurant seated two Black customers in a closed and darkened section, away from other diners. When they asked to be seated elsewhere, the manager on duty told them they either had to keep the table they had been assigned, or leave the restaurant. In the same year, a Vermont bar was accused of denying a Black customer entry because of her race. (Case Summaries, 2000)

A 2001 lawsuit accused Cracker Barrel restaurants of providing Black customers with poor service, 'segregating' them from White customers and giving them food taken from the trash (Tannen, 2001). Over 300 current and former employees gave statements that supported the claims of company-wide discrimination. A White waitress at a Florida Cracker Barrel saw Blacks receiving slower and less courteous service than White customers, and being denied the Cracker Barrel-mandated free meal after complaining about the quality of food or service. Another White waitress said that she routinely witnessed Blacks being subjected to racially
derogatory remarks by Cracker Barrel staff. In addition, a former customer hotline employee said Cracker Barrel received about 300 calls monthly alleging discrimination against minority customers. Further, in July 2003, two central Arkansas Cracker Barrel restaurants were accused of racial discrimination by 23 Black customers, who filed suit against the firm in federal court. (Tabor, 2003)

The owners of the Mounty Bar and Restaurant (Mounty) in Chester, West Virginia agreed to settle a lawsuit that alleged the operation denied service to Black patrons by demanding they display "membership cards" before receiving service, while not requiring cards from other consumers. The Mounty is now required to serve patrons of all races, whether or not they have membership cards, post notices that the business serves all people despite race or color, and train employees in the requirements of Title II of the Civil Rights Act of 1964. (See Justice Department Announces Settlement of West Virginia Racial Discrimination Case, 2003)

The examples of racial discrimination at Denny's and numerous other restaurant establishments underscore the comments of Jim Adamson, who is the Chief Executive Officer of Advantica, Denny's parent company. He indicated that the attitudes at Denny's are reflective of similar attitudes of most Fortune 500 companies, where diversity and inclusiveness is a 'memo', as opposed to being ingrained as part of the firm's corporate culture (Hohman, 2000). Adamson commented that "The sad part is that discrimination takes place in this country every day. Denny's wasn't alone. This is an American problem".

As the preceding examples demonstrate, racial discrimination still remains a problem for U.S. restaurants, and for their guests of color. The underlying cause of such discrimination is employee, supervisor, and/or owner prejudice or dislike of people of other races. Once restaurant employees allow a customer's skin color to alter their behavior, the stage for racial discrimination, service quality problems, and customer dissatisfaction has been set. Moreover, problems escalate and behavior becomes entrenched when little or nothing is done to curb this type of disrespectful and costly interaction with guests of color. Such an approach is out of balance with what has been suggested by over two decades of services marketing research, as will be discussed next.

The Application of Services Marketing Concepts

Service failure is inevitable, according to Zeithaml and Bitner (2003); however, racial discrimination in service delivery is not. Service provision on a consistent basis is a challenging undertaking for any hospitality firm. However, service provider behavior that results in skewed treatment for customers because of race or color clearly falls outside of any acceptable zone of tolerance and makes service recovery much more difficult to achieve. Left unresolved, these service failures motivate mistreated persons to tell others about their experiences, or even to challenge the provider through consumer rights organizations or legal avenues.

Service quality research has established that only a very small number of consumers actually take the time to voice complaints about a service problem. When they do take the time and effort to complain, customers expect to be helped quickly, to be compensated for their grief and for the hassle of being inconvenienced, and to be treated well in the process. However, rather than the receiving such responsible approaches to complaining behavior, many Blacks are denied service, asked to leave, or continually mistreated by service providers.

Many of the aforementioned examples of racial discrimination against Black restaurant patrons initially portray them as irates or voiers (Zeithaml and Bitner, 2003). Irates are consumers who, though somewhat likely to spread negative word of mouth to family and friends and to switch patronage, are about average in their tendency to complain to the provider and believe that complaining to the provider can have social benefits. Voiers are customers who are less likely to engage in negative word of mouth, to change service providers, or take their grievances to third parties and who actively complain to service providers believing consequences can be
very positive. The virtual absence of service recovery strategies, however, typically transformed these guests into "activists." Activists are customers who are alienated from the marketplace, armed with a high propensity to complain on all dimensions, and may even be motivated to go to extreme lengths to inform as many people as possible about the restaurant's practices (Zeithaml and Bitner, 2003). Initially, each of these customer types simply want to be treated fairly; that is, to be served in a logical order in a timely manner, to pay using the same procedures as other patrons, and to receive standard service regardless of their skin color. However, the firms' own actions may initiate their complaining behavior.

According to Keen (2001), racial discrimination has both financial and moral implications for the hospitality and tourism industry. The potential costs to the restaurant industry for engaging in discriminatory practices are clearly significant. For example, Denny's paid $54 million in compensation to settle its racial discrimination charges (Dunham, 2001). Additionally, Denny's management recognized that their biggest cost was in lost patrons, who because of their history may have elected to dine elsewhere (Hohman, 2000). More recently, Cracker Barrel settled its bias charges, by agreeing to undertake a five-year comprehensive plan to deal with discrimination, train more managers, and hire an independent auditor to monitor its actions (CBRL Group, 2004). Thus, both firms have incurred significant costs for changing their approach to serving guests of color.

Further, though some individuals wonder about the super-sensitivity of Black customers, Blacks tend to be patient and tolerant patrons of White-owned businesses that, as consumer studies have shown, routinely provide overpriced, substandard goods and services to Black customers (Graves, 2002). One such study found Black tourists rarely changed their entire travel plans because of racial discrimination (Keen, 2001). The highest percentage (16 percent) that reported quitting a particular activity, were those tourists who were eating meals in sit-down restaurants. According to Keen, service providers would normally expect to avoid situations that are very uncomfortable, but it may be the case that Black Americans do not change their travel behaviors because they perceive that they do not have any alternative. Thus, restaurant companies that promote diversity, service quality, and customer satisfaction regardless of race may position themselves for higher levels of success with Black Americans through these forthright actions.

Finally, because Black customers have significant travel spending power, the tourism industry, including restaurants, will lose revenue if these guests are disenfranchised by discrimination (Keen, 2001). As one industry practitioner advises, embracing diversity in marketing and building business with multicultural consumers can dramatically increase both profits and customer satisfaction. Since the U.S. Black community collectively spends about $500 billion a year, it would be a mistake to overlook this large market segment (McCullum 2002). With this perspective in mind, a number of service-based initiatives may help restaurant firms to better address the issue of delivering an evenhanded treatment for all guests.

Recommendations for Restaurant Firms

In order to avoid lost revenues and losing marketing opportunities that stem from discriminatory practices, restaurant firms may want to tackle the problem from not only an operational perspective, but also from a moral one. Such a dual approach could employ a number of proactive steps, with a special focus on the firm's human resource management practices. First, compensation practices should be examined. Frontline service employees have traditionally been the lowest paid, although they have the greatest impact on customers during the service encounter (Titil, 2001). This is particularly true for the restaurant industry. More efforts should be focused on hiring excellent frontline workers and compensating them better. Senior management's perception of these front-line, customer-contact positions should be altered so individuals in these critical roles are more valued on a company-wide basis. Higher-level employees could be regularly rotated through front-line positions to give them perspective on the customer experience.
about their own positions, to raise the status of the front-line positions, and to more directly
gather customer feedback and employee experience, which can be translated into improved
service delivery processes and ultimately, customer satisfaction levels.

Furthermore, employee incentives should be tied to customer satisfaction levels, not just
financial metrics, in order to improve service quality and evenhanded, impartial guest treatment. Appropriate, simple, and easily understood standards should be carefully established. They should focus on those service elements that employees can affect and the key drivers of successful business performance. Furthermore, goals should be fair, reasonable, and attainable, and employees should be involved in their own goal setting when possible. In this way, employees may be motivated to really excel at their jobs, rather than just doing them out of necessity.

Another proactive step by firms would involve adopting intensive workforce diversity
training, which can help organizations and employees avoid discrimination and operate more
appropriately and profitably. Although most training initiatives focus on relatively modest goals, such as individual employee attitudes, more comprehensive training efforts also focus on individual behavioral concerns, and human resource policies and systems. The most comprehensive training programs are complete endeavors to transform values and cultures using organizational developmental approaches. However, only about one quarter of organizational trainers use a more comprehensive approach, which has several critical elements that drive its efficacy. Some of these elements include having strong support from top management, linking diversity to central operating goals, enrolling all levels of employees, discussing discrimination as a general process, addressing individual service behaviors, and complementing training with human resource practice changes that affect the corporate culture (Bendick, 2001).

Finally, the best approach for restaurant firms of all sizes in providing consistent quality
service for all customers regardless of race is simply to expend the requisite time and resources to
initially select and hire non-racist employees at every organizational level. Gauging service
dispensation at the employee selection stage is critical in ensuring optimum fit between service
jobs and front-line workers and delivering excellent service quality. (Kusluvau, 2003) While
some may argue it is difficult to build a workforce devoid of racism, emerging technologies (i.e.,
the computerized interviewing technique 'H.R. Easy') can screen applicants for racial bias and
help prevent hiring individuals with predisposed prejudicial tendencies (Dunham, 2001). Although emerging technologies may offer some assistance to service firms, they must be combined with a company culture that steadfastly condemns racial discrimination and terminates employees who consistently behave in a discriminatory fashion and refuse to treat all customers equally, regardless of their color (Dunham, 2001). Only then will true business success be achieved, according to not only the letter, but also the spirit of the laws that safeguard all U.S. citizens from being discriminated against in their daily lives.

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