

A Study on the Customer Satisfaction from Indian Coffee House – in Jabalpur City

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Abstract

With the historical globalization, liberalization and privatization in the country, the disposable income of the people in all the SEC's has increased. This increase in disposable income has increased the ease in the lifestyle of the people. Further ahead this has made an increase in the market of both product and service industries.

Over the last decade it has been noticed that, the frequency of travelling and dining out, of people have increased manifold. Snacking and munching sectors of food service industry has grown substantially. People have started enjoying the idea of eating outside in hotels, restaurants and food joints. In this entire process, the most sought after food joint in the area of Jabalpur is 'ICH' i.e. the Indian Coffee House. There are various reasons why ICH is preferred over the other food points and this study focuses on the factors of customer / consumer satisfaction from ICH in Jabalpur. Jabalpur has seven Indian Coffee Houses of which one has a boarding hotel also. ICH in Jabalpur is the oldest restaurant in the organized sector.

The research methodology consisted of two phases: first was the secondary data which initiated the study and helped in understanding the consumption trends of the people of Jabalpur with reference to various Indian food providers. Secondly, a primary market research with the consumers / customers was conducted which gave an insight into the operational details as well as the feedback on the reactions of the visitors. Data was also collected from the staff of the Indian Coffee House.

The key findings included the details of the consumption pattern and the reaction of the consumers regarding their satisfaction level and comfort with ICH. It also includes the feedback on the other organized and unorganized food market.

Keywords: Snack Food Industry, Indian Coffee House, Consumption Pattern, Consumer Satisfaction.

Introduction

The Indian coffee house is completely owned and managed by its employees. The society is governed by an eleven member managing committee elected from the employees. Since the 50's, Indians have been enjoying this unblended rich coffee and food served by amiable waiters clad in stiffly - starched uniform in a unique classical ambience. Over the years, the society has stuck to the traditional values of good taste, courteous service and unmatched quality. These values were and still are what makes Indian Coffee House the biggest restaurant chain in India. The society now has a chain all over the country with over 400 outlets and associate canteens operating in all major towns. The Indian coffee house also has branches near all important govt. establishments Secretariat, Legislative assembly, MLA-Hostel, Commercial Areas, Medical colleges, and Universities.

The society also sells pure coffee powder known for its rich aroma and strong flavor at reasonable prices to the public. The society proudly upholds the traditions of our pioneers that have earned us the love and loyalty of hundreds of customers. The society has received appreciation and support from Government and public.

The Indian Coffee House is a restaurant chain in India, run by a series of workers' co-operative societies. It has strong presence across India with nearly 400 coffee houses. The 'Indian Coffee House' was started by the COFFEE BOARD in early 1940s, during the British rule. In the mid 1950's the Board closed down several Coffee Houses in different cities throughout India. At that time the Board took decision to dismiss a large

number of employees. A large number of employees lost their jobs. That was a turning point; the well known great communist leader com. A.K.G. Nambiar (Ayillyath Kuttiari Gopalan Nambiar) took over the leadership of the said employees and organized Societies all over India in different states. That is "INDIA COFFEE BOARD WORKER'S CO-OPERATIVE SOCIETY". A lot of dismissed Coffee Board employees were dedicated their life, money and muscles for the formation of the Society. The first Society was formed in Bangalore on 19th August 1957. The first new generation Indian Coffee House opened in Delhi on 27th December 1957. Gradually, the Indian Coffee House chain expanded across the country, with branches in Pondicherry, Thrissur, Lucknow, Nagpur, Jabalpur, Mumbai, Kolkata, Tellicherry and Pune by the end of 1958.

The Coffee House is of historical significance for being the rendezvous of innumerable versatile people, from its inception to date. . Scholars, editors, artists and writers have been among the patrons of the restaurant. In the early 1960s the coffee house became the intellectual battleground of the famous [Hungry generation](#) literary and cultural movement. Several literary magazines owe their origin to the inspiration from the adda sessions at this coffee house. The coffee house is famous for its [adda](#) sessions, and as the breeding place of several political and cultural personalities and movements. Many people come here just for the sake of adda and just being a part of the long talking sessions. Several talented and illustrious persons from different streams have been thronging this renowned adda for a long time. In 2006, a huge financial crunch kept the co-operative society from undertaking renovation of the coffee house. Though a few companies such as [Asian Paints](#) approached the society with offers to renovate the restaurant, the offers were refused due to clash of norms and conditions. As per the blessings of the valuable customers ICH celebrated with honour the Golden jubilee year (1958 - 2008). ICH believes - our employees dedicated a good service to each and every customer. "Satisfaction of the Customers is our destination."

Indian coffee house was the first runner up of CNBC Awaaz Consumer Award in 2008. Fast food and beverage chain: Barista, McDonalds, Indian Coffee House, Café Coffee Day, and Pizza Hut competed for this award. Café Coffee Day, where a lot can happen over coffee, emerged the winner of the category.

Review of Literature

1. Vibhor Mohan, "Storm in the Coffee Cup" in Nanded City, March 2012 conducted a study in the city to know the perceptions of consumers on the growing popularity of Indian Coffee House. He concluded that it provided a relaxing ambiance with eye-catching crockery and bright décor. The growth of these specialty and gourmet coffee shops was a result of the economic and demographic changes, higher disposable incomes, increases number of working and exposure to global trends.

2. Anuradha Shenoy researched on "Branded coffee houses a rage in India" on July, 2005 and revealed that the menu displays not just a range of coffees, but an ever increasing list of soft drink concoctions, food items, south Indian food, veg./non-veg. and other beverages mingling with snacks and mini-meals. According to a 2005 research report by the United Nations Food & Agriculture Organization, India's coffee consumption has been chugging along at 22% p.a.
3. Sunalini Menon studied on research title "More than just coffee 'n snacks" (June 2011) Gautam Buddha Technical University, Lucknow. She conducted a study and her findings depicted that coffee houses are extending their network, according to Sunalini Menon, chief executive of coffee lab, which provides evaluative services for coffee manufactures, it is because they provide more than just coffee. "This individualistic culture promotes the need for a venue to socialize with others of their age who share their interests."
4. M.A.Winter showed clearly, despite coffee consumption stagnating, coffee houses are finding it lucrative to add value activities, social activities, merchandize, and food as the main plug. Drink to that! Their research topic was "An Indian Sector on the Upswing: Coffee Shops" (13 Nov, 2007). Winter revealed that they are focusing primarily on knowledge building and management and expertise that are chefs and staff brings to the table.
5. Manimekalai, Balasubramani and Amsaveni investigated the consumption pattern among people in Annamalai University and found that the market growth is expected to be 20 to 30% annually in the next couple of years. ICH is a major player in the premium sector of the Indian sub-continent, with 108 ICH in India. ICH was the first to enter the coffee retailing business in India, they grew faster because they relies that running café is a hospitality business and one needs to create the right ambiance and experience and back it up with strong logistics. Their research title was "A Study Of Consumer's Preference And Satisfaction Towards Indian Coffee house" on 1 Nov, 2010.

Inference of the Reviews

After a thorough study of the literature it was indicative that the snack and quick food industry in the country is growing very fast. Two major reasons which could be identified were that, firstly, people across all ages like to socialize on a common platform and secondly, people now a day like eating out more frequently as against the earlier times which is also supported by the increase in the disposable income.

Objectives of the Study

The present study revolves around the following broad objectives:

1. To assess the consumer's satisfaction level towards the products and services of Indian Coffee House.
2. To know general perception of the people towards the Indian Coffee House.

3. To understand customer consumption pattern of the coffee.

Research Methodology

The study was initially supported by the secondary information available through various sources. The research is purely based on the primary data collection through questionnaires in Jabalpur city and has been focused on ICH customers and staff / officials of ICH. The number of respondents is 260. The study covers information about customers food preferences, service attributes etc. The project will be useful to management, students and other who may want to broaden their horizon.

Details

Sample

The sample includes 260 total respondents including Indian Coffee House customers, staff and officials.

Method

The work is based on primary data and the data collected was through non-structured open ended personal interviews / discussion.

Understanding of the Study

Coffee houses have always been a place of relaxing and gossiping apart for being just a restaurant. Of the total respondents the majorities were in the age group of 35-45 years and visited ICH for meeting and leisure purposes. It included people who were ex-service man, house-wife, elder businessman, sales people etc. The next set included respondents in the age group of 25 – 35 years which included both males and females who visited purely for leisure and fun reasons. The house-wives in this age group visited as they wanted an outing with the friends. The males visit was also casual. A big lot of the balance included students who where there for treats or casual meetings with friends, further as they mentioned, ICH was a reasonable place for spending time. The last bit of respondents included retired government employees and people with lesser personal responsibilities and they were there purely for passing of time and were not very high consumers.

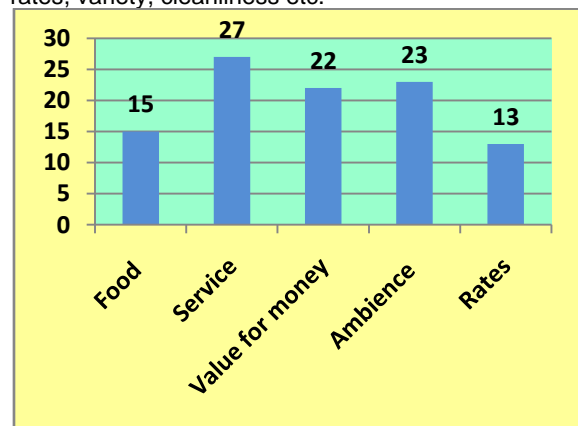
Customers were in ICH for reasons of affordability, ambience, influenced by family or friends, proximity of location and none the less word of mouth. Most of the respondents were found loyal to the Indian Coffee House and thus visited regularly but there was a small percentage who have visited Indian Coffee house from the last one year. The reason stated by these customers was their dissatisfaction. Further information reveals that, the respondents prefer visit during festivals and other special occasions and otherwise also along with their family and friends. There were also customers who visited with variation in frequency; some visited daily, weekly, fortnightly, monthly, occasionally etc. During the research it was also revealed that the number of non-vegetarian customers of ICH was as high as 59%. The non-vegetarian food being served at ICH was well accepted, appreciated and relished by the consumers. The most popular orders as rated by the consumers ranked as: Masala Dosa, Chole Bhature, Idli, followed by omlette, egg-curry and other non

vegetarian dishes. Filter coffee is the most asked for, whereas Nescafe follows. Tutti-frutti ice-cream is another fairly popular pick.

There are various factors which are the influencing factors for the customers. These include quality as ranked first in respondents list, followed in sequence by price, quantity and ambience. These factors influence the customers mind and are factors of satisfaction among the customers of the Indian Coffee House. There were a few customers who were dissatisfied with an opinion that the ambience of ICH is not up to the mark and there is a lot of scope for improvement.

The regular visitors of ICH have mentioned categorically that, since the first time they visited the place over the period of time they have experienced a noticeable change in the ambience, menu, taste, look and feel and also the rates in ICH. Majority preferred the earlier traditional look and feel. They are not much bothered about the rates. Their concern was about the ambience. They mentioned that the earlier ambience gave them a feeling of comfort and ease, while today it is more like going to any other restaurant. The special essence of ICH is missing now.

On being asked to rate on the parameters of ambience, value for money, service, food and rates the response was as shown in the graph. Majority respondents supported as they mentioned that the service in ICH is very good and so is the ambience, thus it is value for money. They also mentioned that, the food quality and variety are both good and it is a place which they are comfortable visiting with family and friends and they are also comfortable to visit with their clients if need be. The only problem they mentioned during the discussions was about the space for parking. In all the ICH's in Jabalpur there is a problem of parking which gives them a little irritation. On the rating of overall satisfaction around 93% respondents have rated ICH as the most sought after place from the point of view of quality, quantity, rates, variety, cleanliness etc.



There are a few information's which have been mentioned by a good number of respondents. Firstly, there has been a suggestion that ICH should start home-delivery system as it has a huge customer base who cannot reach their houses at some times.

Secondly, the attempt to increase the food platter by ICH should not be made bigger. They mention that they specialize in south Indian food and they should focus on it primarily. Thirdly, all the houses should improve their parking facility as it at times diverts their customers to other places. One more important feedback received has been that, people expect as alike other mega food joints ICH should also have a separate zone for birthday and other small parties. Apart from this the most important feedback received from the respondents has been that, they miss the earlier traditional ambience of the house and the feel at home experience. They still have nostalgic feelings about the earlier building, ambience, seating arrangement, comfortable furniture etc. To understand the study further points have been made as follows:

1. The strategy of ICH till now has been solely dependent on word-of-mouth. Infact ICH does not even need recommendation.
2. Users have a positive perception about it with reference to its quality, assurance of good service, reasonability etc.
3. Indian Coffee House's main strength is Filter Coffee.
4. It has properly repositioned itself in India whenever required i.e. from children to adults, togetherness bar to energizing bar for young ones etc.
5. There is no presence in the rural market where people tend to dismiss it as a high end product. It is mainly found in urban and semi-urban areas.
6. Lack of launch of new Dishes & Flavors.
7. The coffee market has seen one of the greatest increases in the recent times (almost 39%).
8. There is a lot of potential for growth as a huge population unaware of ICH can be converted as new users.
9. Using information and technology to bring efficiency in logistics and distribution.
10. As in FMCG market there is no brand loyalty in the service sector and thus the consumers tend to shift to other facilities.

Limitations of the Study

As the project involved the marketing research using questionnaires, views expressed by the respondents are confined to the elements of questionnaire. But it was tried to get general information apart from questionnaire through discussions. The sample covers only Jabalpur city. Since the study is focused only on the city of Jabalpur we cannot be sure that the same response will exist throughout the country.

Findings

1. The strategy of ICH till now has been solely dependent on word-of-mouth and it has been hugely successful.
2. 68% support that Home delivery should be started as soon as possible.
3. Treat areas should develop is what 71% people suggest.
4. As ICH was established in 1958 it has a set up of that era and appealed more to the age group of

40-60. But the recent trend shows that the ICH is being filled with college going students, young sales people, house-wives etc., and recent studies have shown that roughly 50% of the Indian population are 25 or younger and is expected to increase to 55% by 2015. In spite of this change in set up, youngsters reacted that even they preferred the traditional look rather than this modern restaurant look.

5. Respondents i.e. 92% prefer and would like to refer anyone to visit or arrange treats at Indian Coffee House.
6. When asked about the most important factor that contributed to their choice of coffee house, an equal number (40%) of respondents selected the taste of coffee/food and the ambience/experience. Only 20% of them choose value for money as their most important factor.
7. Indian coffee house got a positive rating of 83% with respect to the variety of their eatables (especially their Indian food), although the quality was often inconsistent.
8. Overall, Indian coffee house has done well to live up to its value for money of being an affordable restaurant.
9. A customer's visit to a coffee house doesn't end with his purchase of food items. He goes there for the service the organization provides, and this service is provided directly by the staff.
10. Indian coffee house uses its physical evidence to promote and develop their brand. Also, considering that the sample stated Ambience/ Experience as the deciding factor in their choice of a coffee house, a lot of emphasis needs to be placed on this aspect.
11. Customers come to a coffee house because they want to have a good time with friends or family.
12. Respondents are satisfied with the food items, ambience and services provided by the Indian Coffee House.

Conclusion

1. This paper is based on a survey which is done in Jabalpur on ICH customers. On the basis of data that are filled by customers we analyzed factors affecting the customer's preferences of visiting ICH.
2. After analysis of performance we found that customers are very satisfied with the services which are provided by ICH. For the youth coffee shops are social hubs to enjoy some quality time with friends or simply go for a cup of coffee.
3. Some customers are not satisfied with the services that are providing by ICH. In some case there is need to improve the services. As they are not into advertising their brand, we need to have a proper strategy to make the brand known but at the same time maintain its authenticity and rootedness.
4. Marketing communications will work for the Indian Coffee House the overall goal of the business by developing strategic campaigns and
5. Helping the ICH to increase sales

6. Retain existing customers with their quality service
7. Help the brand gain credibility solely through word-of-mouth
8. Maintain the traditional heritage of the brand through promotions.
9. It is an employee run co-operative society, there is high loyalty among them and the best customer service. However, the prices in the menu are quite low. Instead of increasing the prices, there will be promotions which will double up as fund-raisers. So there is need to improvement in this area.
10. We conclude that in case of parameters of selection, customer will first look at the service, ambience, food items and then other parameters. The customer also expects the restaurant chain to give in detail information of the service they are availing.

Recommendations

Indian Coffee House has done extremely well so far to project itself as an affordable all age oriented brand. But there are still certain areas where their brand needs to be much stronger by means of customer satisfaction in a cost effective manner.

1. Respondents suggest that the overall service is satisfactory but not meeting the customer expectations or the satisfaction level.
2. Ambience and service has been a key factor for customer dissatisfaction. Quality is the key parameter that affects the choice of coffee shop.
3. Introduction of "Happy Hours" and privileged cards for regular customers.
4. Right mix of advertisement. The role of marketing communications in this case would be to thus remind the consumer of the rich heritage of the ICH by extending their word-of-mouth strategy through tools such as PR, social media and goodwill of the patrons.
5. With regard to the physical evidence associated with the brand, Indian Coffee House needs to do a lot of work if they hope to catch up with other coffee shops. Indian Coffee House is to clean up the décor at every outlet, wherever unnecessary advertising is taking place.
6. Indian Coffee House should take care of its current recruitment, selection and most importantly, its current training policies.
7. Ambience not up to the mark, the buzz of people talking, debating and arguing is annoying sometimes. Can play music in the restaurant. Should keep suggestion book.
8. Washrooms should be clean & hygienic. Should take care of hygiene factor.
9. Long waiting hours because service is slow that should be improved.

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