Restaurant Quality: A Cross-National Comparison between two Neighbouring North Mediterranean Tourist Destinations – Portorož and Opatija: Domestic Customers' Perspective

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The purpose of this paper is to investigate similarities and differences in the perceived quality on the part of domestic customers' in restaurants in Opatija (Croatia) and Portorož (Slovenia). Opatija and Portorož have a long common history, as they were important Austro-Hungarian and former Yugoslav North Mediterranean tourist destinations. These neighbouring and competitive tourist destinations now belong to two different European states: Slovenia and Croatia. In accordance with a previously conducted research in Opatija, research based on the same methodology was repeated in Piran. The Slovene and Croat sampling frames consisted of 156 valid questionnaires in each destination. Domestic customers that had eaten in restaurants were used as respondents. Exploratory factor analysis was conducted to determine quality attributes that best explain customers' quality expectations and perceptions in both destinations. The study identified six attributes that best explain customers' expectations regarding service quality. Surprisingly, the research findings show similar (almost identical) crucial attributes in both destinations, as well as a negative quality gap, which results in poor and insufficient restaurant service quality. Restaurant managers should, therefore, emphasize the importance of identifying customers' expectations that significantly determine their business success and constantly measure their quality performance. This study is of great interest to managers, as its results may be implemented in restaurant and destination quality strategies. It would be of interest to see if similarities exist among other destinations that are decidedly different from those in Slovenia and Croatia.

Key words: Domestic customers, restaurant industry, service quality, DINESERV, Opatija, Portorož

Introduction

Understanding, achieving and maintaining service quality are recognized as important factors leading to the success of customer-focused firms. Knowing customers' expectations is instrumental in developing a quality strategy for meeting and exceeding their expectations. Consequently, the efforts of service managers and researchers are directed to understanding and measuring customers' expectations and the quality of services provided. In recent decades, many academics (Aigbedo & Parameswaran, 2004; Buttle, 1996; Cronin & Taylor, 1992; Oliver,

1980; Sulek & Hensley, 2004; Hsieh & Yeh, 2014) have examined the concept of service quality, its dimensions and measurement methods. Among the various definitions proposed, the most widely used is the one that defines service quality as a gap between customers' expectations and perceptions (Sivakumar, Li & Dong, 2014). Providers should, therefore, meet or exceed customers' expectations in order to deliver high-quality services. Based on this definition, there is a variety of measurement techniques for assessing service quality. One of the most widely used is the SERVQUAL instrument (Parasumaran, Zeithaml & Berry, 1988). In restaurant facilities, quality is usually measured with an adapted version of the SERVQUAL instrument: the DINESERV model (Stevens, Knutson, & Patton, 1995). Many researchers have used DINESERV in their studies (Bougoure & Neu, 2010; Keith & Simmers, 2011; Kim, Ng, & Kim, 2009, Marković, Raspor & Šegarić, 2010). In accordance with Marković, Raspor and Šegarić's (2010) study, the DINESERV methodology is also applied in our study.

Service quality is important not only for the business success of restaurants themselves, but also plays a major role in the way tourists experience the destination (Križman Pavlović & Živolić, 2008). In this direction, increasing numbers of Destination Marketing Campaigns (DMC) are now focusing on the food element as a central part of their destination tourism product (Sukiman, Omar, Muhibudin, Yussof & Mohamed, 2013). In order to answer our main research question (listed below), this research was carried out in the Municipality of Piran (the Portorož Riviera), and its results have been compared to the results of a previously conducted research in Opatija (the Opatija Riviera).

The Portorož Riviera and the Opatija Riviera are two of the most recognizable tourist destinations in the Eastern Adriatic. Based on their unique potential (i.e. the longest tradition of organized tourism and the formerly most elite Mediterranean destinations of the Austro-Hungarian monarchy and ex-Yugoslavia), both destinations are still considered as some of the most visited tourist destinations in Slovenia and Croatia. Both destinations are famous among Slovenes and Croats, although according to official statistical reports (stat.si, 2013; dzs.hr, 2013) foreign tourists prevail in both destinations. Slovene tourists (ac-

cording to total foreign tourist arrivals) occupy the second position in Croatia and tourists from Croatia are the fourth most numerous tourists in Slovenia (stat.si, 2013; dzs.hr, 2013). In order to upgrade their current market situation, in 2011 both destinations jointly applied for EU funding and started the "365 Days of the Riviera cross-border project". The project aims are to improve the destinations' recognisability and encourage the arrival of tourists throughout the year. This encourages cross-border collaboration and makes it possible to design joint products and marketing activities, enabling each destination to keep and emphasize its distinctive features, while simultaneously benefitting from the advantages of joint, cross-border marketing activities. Benefits from the project will be given to all stakeholders in both destinations (365.danariviere.eu, 2013). The project (365.danariviere) primarily focuses on strategic marketing guidelines and, prior to its development process, no studies were conducted to evaluate customers' expectations and perceptions of quality on the 'micro-operational' level. This study specifically examines restaurant customers' expectations in both destinations and seeks to identify how various quality attributes match these expectations. It does this by applying the DINESERV model, which measures the gap between customers' expectations and perceptions (customers' experience of various service attributes) to determine their level of satisfaction with the quality of restaurant service.

Based on the literature review, we formulated the main research question: Are there similarities in domestic customers' quality expectations and perceptions in both destinations? This paper is divided into several sections. First, a brief review of service quality is provided. Next, a research methodology is presented; followed by a presentation and discussion of results. In the conclusion, suggestions for future research and useful information for restaurant managers are provided.

Literature Review
Because of their inherent intangibility, the delivery of high-quality services is a difficult task. Therefore, the service provider (caterer) needs standardized, quantitative measurements to assess service quality. The specification of service quality attributes should be identified within standardized models, because this

helps managers to better understand the components of service quality. Quantitative models (presented below) are essentially developed around the concept of satisfaction. Although there are many definitions of satisfaction, it is generally recognized as a post-purchase construct that is related to how a consumer likes or dislikes a service after experiencing it (Truong & Foster, 2006). Regarding the restaurant industry, this post-purchase construct is primarily a function of pre-dining expectations and experiences. As suggested by Oliver (1980), an individual's expectations are confirmed when a service performs as expected, negatively when the service performs worse than expected, and positively when the service performs better than expected (also referred to as ECT or Oliver's Expectation Disconfirmation Theory). Based on this specification, restaurant managers can use different models to measure and implement necessary policies for quality improvement.

The SERVQUAL instrument, as one of the most popular models, consists of 22 items (Rood & Dziadkowiec, 2011). The instrument measures the gap between customers' expectations and perceptions of the service they received. The 22 statements represent the five service dimensions that consumers use to evaluate service quality: Reliability, Assurance, Tangibles, Empathy, and Responsiveness (also known as the RATER quality dimensions). Although many researchers (Buttle, 1996; Cronin & Taylor, 1992; Seth, Deshmukh & Vrat, 2005; Llosa, Chandon & Orsingher, 1998) have questioned the reliability of the five service dimensions, SERVQUAL remains one of the most widely used methods. Many authors have applied SERVQUAL to specific service sectors (Choi & Chu, 1999; Ekinci & Riley, 1999; Tribe & Snaith, 1998, Yuksel & Rimmington, 1998). In an effort to adapt SERVQUAL to the hospitality industry, many researchers have modified the original model and developed specific models for the hotel industry, such as LODGQUAL (Getty & Thompson, 1994); LODGSERV (Knutson, Stevens, Wullaert Patton, & Yokoyama, 1990); SERVPERF (Cronin & Taylor, 1994), and DINESERV (Stevens, Knutson & Patton, 1995) for the restaurant industry.

The original DINESERV instrument included 40 service quality items. A confirmatory factor analysis was used to refine the instrument. The final version includes 29 items captured into the five dimensions of the SERVQUAL instrument. Reliability was found to be the most important dimension, followed by tangibles, assurance, responsiveness, and empathy. The first serious discussions and analyses of the SERVQUAL instrument emerged during the 1990s. Bojanic and Rosen (1994) used the SERVQUAL instrument to evaluate service quality in a chain restaurant. They specifically indicated that it was difficult for customers to fill out two different questionnaires: before and after dining. The results identified the three most significant dimension that best explain overall restaurant quality: knowing the customer (empathy); reliability; and assurance. Other SERVQUAL dimensions were statistically not significant. Johns and Tyas (1996) employed the SERVQUAL instrument to evaluate the performance of a contract catering service. They used 24 items from the SERVQUAL and added 12 specific items related to the quality of food and value for money. Johns and Tyas did not confirm the same dimensions as those in the SERVQUAL instrument, as other factors related to food and personnel were found to be more important.

In recent years, there has been an increasing amount of literature on service quality. Fu and Parks (2001) analysed the correlation between the SERVQUAL quality dimensions and restaurant loyalty among elderly customers at two family-type restaurants. The major findings were that friendly service and individual attention were the most important factors that influence elderly customers' behavioural intentions. Andaleeb and Conway (2006) examined the service dimensions that best explain customer satisfaction in full-service restaurants. The results indicated that customer satisfaction was influenced mostly by the responsiveness of the frontline employees, followed by price and food quality. The results are not generalizable because different guest samples in different geographic areas may have different requirements for restaurants. Some studies have confirmed the importance of different quality dimensions in different restaurant settings: food (Sulek & Hensley, 2004; Kim, Ng, & Kim, 2009); people (Voon, 2012; Mosavi & Ghaedi, 2012), ambiance (Ryu & Jang, 2007). These findings may aid in understanding the distinct aspects of the restaurant and tourism industry. According to Andaleeb and Conway (2006) and Aigbedo and Parameswaran (2004),

the five dimensions of the SERVQUAL instrument have not been fully validated. These authors (ibid.) have, therefore, proposed further scientific research. These findings corroborate the ideas of Jensen and Hansen (2007) and Juwaheer (2004), who suggested a modified approach to service quality measurement: the number of service dimensions should be adjusted to each specific study. As the generalizability of SERVQUAL is problematic, these findings indicate that the SERVQUAL instrument should be used only as a basic framework for measuring service quality. This view is also supported by Nowacki (2005), who used the SERVQUAL instrument in order to evaluate service quality in a museum setting. Although SERVQUAL was primarily designed and used to measure the service quality of a specific service provider (e.g. restaurant, hotel, etc.), Sukiman et al. (2013) used the SERVQUAL methodology to measure tourist satisfaction in a tourist destination in Malaysia. Although fixed dimensions originally identified by Parasuraman, Zeithaml and Berry are not necessarily applicable to all situations (especially those associated with destinations), according to Sukiman et al. (2013) a modified approach based on sector specific attributes can assess the quality of services in a specific sector of tourism. Its major strength is the gap measurement of specific quality attributes (the disconfirmation model) as it aids in understanding which quality attributes have contributed to customers' satisfaction. Despite its diagnostic success, to date no study has investigated and compared restaurant quality in two neighbouring and competitive tourist destinations.

Methodology
This study examined restaurant quality using an adapted version of the SERVQUAL instrument, named DINESERV. The research instrument used in this study comprises 35 restaurant attributes (quality attributes are presented in Table 2). The levels of customers' expectations and perceptions are measured on a seven-point Likert scale, ranging from 1 (strongly agree) to 7 (strongly disagree). Mean scores for each attribute are determined by both expectations and perceptions. The difference between mean scores for each quality attribute gives a quantitative measure of the restaurant service quality. The methodology and research design are based on Marković, Raspor and

Šegarić's (2010) research, which measured customers' expectations and perceptions in 32 restaurant settings on the Opatija Riviera during April 2007, based on a modified DINESERV approach. As respondents in their research were domestic customers, we had to consider that factor in our study as well.

Our study was conducted during a three-week period in April 2014. The research was performed by students of the Faculty of Tourism Studies Portorož, whose fieldwork was thoroughly supervised by lecturers. Questionnaires were distributed in 32 restaurant settings in Piran to 156 domestic customers. The number of restaurants (different Food & Beverage facilities) independently operating in the municipality of Piran in 2012 was 172 (Kukanja & Planinc, 2013). We used convenience sampling and covered 19% of the population. The research was conducted using the direct interviewing of customers before and after dining in different facilities. Customers were invited to complete the questionnaire before and after the service encounter. According to the surveyors, some customers refused to participate in the study for a variety of reasons. The final analysis is therefore based on 156 valid questionnaires. The SPSS program was used for the analysis of the results. Descriptive statistics analysis was used to describe respondents' demographic characteristics and to evaluate service quality expectations and perceptions in both destinations. To assess the factor structure, two exploratory factor analyses were performed. Principal component analysis with varimax rotation was used to derive the underlying dimensions of service quality. As in Marković, Raspor and Šegarić's (2010) study, items with eigenvalues equal or greater than 1, factor loadings above 0.4, and factors that contain less than three items were retained. To test the inner reliability of the scale and the inner consistency of extracted factors, the Cronbach's alpha coefficients were calculated (factor and reliability analysis are presented in Tables 3 and 4).

Results and Discussion
In the first step of the analysis, descriptive statistics analysis was used to analyse and compare respondents' basic demographic characteristics. In Table 1, the comparison of some basic socio-demographic data from both studies (Opatija and Portorož) is presented. As can be seen from the table below, in the

case of Piran the majority of respondents fell into the 26–35-year group, and the majority of respondents had completed secondary school.

In the next step, differences between domestic customers' expectations and perceptions in both destinations were analysed. To analyse the service quality gap, arithmetic means for all quality attributes (expectations and perceptions) were calculated. In Table 2, differences between customers' expectations, perceptions, and the service quality gaps for both destinations are highlighted.

The comparison of results reveals that expectations in both destinations are rated relatively high: Opatija (5.85) and Piran (5.64). In both destinations, the highest rated expectations attribute is 'accurate bill' (6.62 in Opatija and 6.42 in Piran), and the lowest rated attribute is 'paying more than planned' (4.22 in Opatija and 3.92 in Piran). Interestingly, similarities were also found when comparing perception attributes in both destinations. The highest rated (perceived) quality attribute is also bill accuracy (6.30 in both destinations), while the lowest rated quality at-

Table 1   Socio-demographic data

Items		Socio-demographic data	
		Percentage	
		Opatija	Piran
Gender	Male	50.6	51.9
	Female	49.4	48.1
Level of education	Primary school	1.3	3.8
	Secondary school	42.3	55.1
	College and university	44.9	28.8
	MSc or PhD	11.5	2.6
Age	16-25	21.8	44.9
	26-35	17.3	20.5
	36-45	27.6	12.2
	46-55	15.4	10.9
	56-65	10.3	7.1
	66 and above	7.7	4.5

Study conducted in Opatija (Marković, Raspor, & Šegarić, 2010; Study conducted in Piran in 2014 (own research).

tribute is 'paying more than planned' (3.84 in Opatija and 3.62 in Piran). The comparison of results reveals that customers in both destinations have the highest expectations regarding bill accuracy and the lowest expectations regarding overpaying the bill. It can thus be suggested that customers expect an accurate (fair) bill, and they have low expectations regarding paying more than planned (according to these data, we can infer that customers are somehow 'not afraid' of overpaying for the meal). Therefore, these results need to be interpreted with caution. As perception means for the two attributes are lower in both desti-

nations (see Table 2), it can be assumed that the bills in both destinations were inaccurate and customers' overpaid for their meal.

Some of the issues emerging from these findings could be related specifically to the tax policy in both destinations. Tax inefficiency in tourism represented one of the major fiscal problems in both destinations (Bratić, Bejaković & Devčić, 2012; Kosi & Bojnec, 2010). The governments of both countries (Croatia in 2012, followed by the government of Slovenia in 2015) implemented a set of measures (cash transactions fiscalization) in order to assure an overview

Table 2   Expectation - perception mean and DINESERV quality gap

Quality attributes	Expectation mean		Perception mean		DINESERV	
	Opatija	Piran	Opatija	Piran	Opatija	Piran
V14 - Accurate bill	6.62	6.42	6.30	6.30	-0.39	-0.12
V8 - Clean rest rooms	6.52	6.39	5.47	5.75	-1.05	-0.64
V3 - Clean, neat and appropriately dressed staff	6.49	6.32	5.81	5.80	-0.68	-0.52
V9 - Clean dining areas	6.46	6.30	5.66	5.58	-0.80	-0.72
V15 - Error-free served order (food)	6.42	6.28	5.92	6.05	-0.50	-0.23
V20 - Comfortable and confident feeling	6.35	5.92	5.64	5.63	-0.71	-0.29
V23 - Well-trained, competent and experienced staff	6.32	5.83	5.65	5.62	-0.67	-0.21
V21 – Staff provide information about menu items, their ingredients, and method of preparation	6.31	5.56	5.61	5.47	-0.70	-0.09
V13 - Dependable and consistent restaurant	6.30	6.04	5.57	5.80	-0.73	-0.24
V4 - Restaurant's decor typical to its image and price range	6.29	5.98	5.78	5.77	-0.51	-0.21
V12 - Quick correction of wrong service	6.27	5.82	5.54	5.43	-0.73	-0.39
V7 - Comfortable dining area	6.25	6.03	5.55	5.64	-0.70	-0.39
V29 - Customers' best interests at heart	6.25	5.85	5.51	5.35	-0.74	-0.50
V5 - Easily readable menu	6.24	6.14	5.97	5.94	-0.30	-0.20
V2 - Visually attractive dining area	6.23	5.71	5.33	5.37	-0.90	-0.34
V10 - Comfortable seats in the dining room	6.17	5.82	5.37	5.22	-0.80	-0.60
V17 - Provision of prompt service	6.14	5.45	5.57	5.44	-0.57	-0.01
V24 - Restaurant supports the employees	6.13	5.82	5.54	5.40	-0.59	-0.42
V11 - Service in the promised time	6.12	5.82	5.61	5.53	-0.51	-0.29
V19 - Employees can answer questions completely	6.10	5.42	5.62	5.45	-0.48	0.03
V6 - Visually attractive menu	6.06	5.61	5.69	5.67	-0.37	0.06
V25 - Employees provide individual attention	6.06	5.12	5.62	5.17	-0.44	0.05
V34 - Recommending the restaurant to others	6.04	5.53	5.60	5.59	-0.44	0.06
V35 - Excellent quality of service	6.01	5.63	5.69	5.78	-0.32	0.15

Quality attributes	Expectation mean		Perception mean		DINESERV	
	Opatija	Piran	Opatija	Piran	Opatija	Piran
V1 - Visually attractive parking areas and building exteriors	5.97	5.81	4.99	5.02	-0.98	-0.79
V22 - Feeling safe	5.97	5.60	5.59	5.58	-0.38	-0.02
V26 - Special feeling	5.97	5.21	5.51	5.02	-0.46	-0.19
V16 - Maintaining speed and quality of service during busy times	5.94	5.62	5.19	5.11	-0.75	-0.51
V18 - Extra effort for handling special requests	5.94	5.47	5.51	5.35	-0.43	-0.12
V32 - Overall satisfaction with dining experience	5.86	5.29	5.57	5.60	-0.29	0.31
V28 - Sympathetic and reassuring employees	5.80	5.57	5.43	5.32	-0.73	-0.25
V33 - Returning to the restaurant	5.78	5.51	5.58	5.79	-0.20	0.28
V27 - Anticipation of customers' individual needs and wants	5.46	4.70	5.21	4.81	-0.25	0.11
V30 - Expensive food items	4.36	4.04	4.16	4.23	-0.20	0.19
V31 - Paying more than planned	4.22	3.92	3.84	3.62	-0.38	-0.30
Overall mean for 35 attributes	5.85	5.64	5.49	5.43	-0.36	-0.21

of cash transaction revenues. Based on the new Cash Transaction Fiscalization Act, fiscal cash registers (online connected registers to the Ministry of Finance) were introduced in both countries (fiscalization.hr, 2015; uradni-list.si, 2015). Nevertheless, more research on this topic needs to be undertaken before the association between tax policies, and quality is more clearly understood. However, these results are not very encouraging as they indicate poor and insufficient restaurant quality. As can be seen from Table 2, the overall quality level is slightly better in the case of Piran (-0.21), where in comparison to Opatija (-0.36) several quality attributes have a positive gap score (V19, V6, V25, V34, V35, V32, V33, V27, V30). Taken together, these results suggest that there is an association between domestic customers quality expectations and perceptions in both destinations.

In the next section of the study, two exploratory factor analyses were performed to assess the factor structure of customers' expectations and perceptions in Piran. The results obtained from both factor anal-

yses were then compared with results of the analysis conducted in Opatija.

In the first step of the research, the factor structure of customers' expectations in Piran was analysed. The Varimax method was used since we have attempted to ensure that every observed variable has a high factor weight at only one factor (the same approach was also utilized in Opatija's study). In our research, the exploratory factor analysis produced a seven-factor solution that explains 60 percent of the variance in the data. Cronbach's Alpha coefficients range from 0.710 to 0.900, while factor five (F5) has only two attributes and was omitted from further analysis (see Table 3). Since we have adopted the same methodology as previously done by Marković, Raspor and Šegarić (2010), the same terminology was also implemented for labelling quality factors. The extracted (expectation) factors in our research are: F1 – cleanliness and appearance of facilities and staff (V1, V2, V3, V4, V5, V6, V7, V8, V9, V10, V15); F2 – individual attention (V17, V18, V19, V25, V26, V27); F3 –

assurance (V20, V22, V23, V24, V28, V29); F4 – satisfaction and loyalty (V32, V33, V34, V35); F6 – responsiveness (V11, V12, V13); and F7 – reliability (V14, V21, V16). The results obtained from the exploratory factor analysis (Piran) are summarized in Table 3.

In Opatija, the exploratory factor analysis produced a seven-factor solution, which explains 77 percent of the variance in the data. Cronbach's Alpha coefficients in Opatija ranged from 0.721 to 0.924. The extracted factors were (Marković, Raspor, & Šegarić, 2010): F1 – cleanliness and appearance of facilities and staff; F2 – assurance; F3 – individual attention; F4 – satisfaction and loyalty; F5 – basic demands; F6 - responsiveness; F7 – reliability. The comparison of the two results reveals that domestic customers in both destinations have similar (practically the same) quality expectations (possible explanations are discussed below).

The next section of the survey was concerned with perception analysis. The factor analysis in our re-

search (Piran) extracted six factors, which explained 61.708 percent of the total variance in the data. The fifth (F5) quality factor contains only two variables and the sixth (F6) factor contains only one variable, so they were omitted from further analysis. Based on the factor and reliability analysis presented in the table below (Table 4), it is evident that customers' perception of quality is mainly based on the quality of the following factors: F1 – assurance (V18, V19, V20, V21, V22, V23, V24, V25, V26, V27, V28, V29); F2 – restaurant ambiance (V1, V2, V3, V4, V5, V6, V7, V8, V9); F3 – responsiveness (V11, V12, V13, V14, V15, V16, V17); and F4 – satisfaction and loyalty (V32, V33, V34, V35). Based on these four quality dimensions and the values of their total explained variances (see Table 4), it is clearly evident that they are important in assuring domestic customers' quality perceptions in Piran. The results obtained from the exploratory factor analysis for the perception scale (Piran) are summarised in Table 4.

Table 3   Factor and reliability analysis for expectation scale (Piran)

Scale	Factors	Number of items	% of variance	Cronbach's alpha
Expectation scale	F1	11	15.067	0.900
	F2	6	11.008	0.857
	F3	6	9.002	0.844
	F4	4	8.165	0.869
	F5	2	7.689	-
	F6	3	4.830	0.781
	F7	3	4.305	0.710

Table 4   Factor and reliability analysis for the perception scale (Piran)

Scale	Factors	Number of variables	% of variance	Cronbach's alpha
Perception scale	F1	12	21.175	0.944
	F2	9	12.900	0.886
	F3	7	10.588	0.871
	F4	4	9.022	0.923
	F5	2	4.904	-
	F6	1	3.119	-

Turning to the results of the Opatija research, it can be seen that based on their analysis, only two

factors were extracted: F1 (overall dining experience) and F2 (restaurant ambiance). The comparison of re-

sults (Piran vs. Opatija) reveals that F2 (ambiance) coincides with our research, while special attention has to be focused on the first quality factor (overall dining experience). A more thorough and in-depth analysis of the interpretation used to describe results obtained in the Opatija study reveals that in order to better explain customers' perceptions of service quality, authors (Marković, Raspor and Šegarić, 2010) merged several (perceived) quality variables in a new quality dimension, named 'overall dining experience'. According to these authors (ibid.), this dimension comprises all aspects of restaurant service, including the appearance of the dining area, staff knowledge and courtesy, the ability to perform error-free service at promised time, providing individual attention, as well as customers' safety and satisfaction. In the Opatija research, this dimension was composed of the following variables (V20, V26, V19, V27, V18, V35, V25, V21, V32, V28, V23, V34, V22, V24, V29, V17, V13, V33, V12, V2, V16, and V11). As authors have decided to implement a new quality dimension for a better interpretation of quality perceptions, we had to consider that in our study as well. According to this perspective, we can see that the majority of perceived quality attributes identified in our study can be included (and interpreted) through the new 'overall dining experience' quality dimension. Taken together, these results suggest that there is an association between domestic customers' perceptions in both tourist destinations.

The most striking result to emerge from the data is that the overall level of restaurant quality in both destinations is negative (unsatisfactory). Another important finding was that customers in both destinations have practically the same expectations and perceptions regarding restaurant quality attributes (see Table 2). The comparison of results shows that domestic customers in both destinations evaluate overall restaurant service quality based on similar (almost the same) quality attributes. There are several possible explanations for these (similar) results. Firstly, the respondents were domestic visitors. As both countries have been independent for only 22 years, the majority of respondents (or their parents) grew up in the same, common federal and socialist state of Yugoslavia and have passed the same common (socialist) values on to their children. There also might be some other possible explanations for

these results, such as a common Slavic culture, predominant Roman Catholicism in both destinations, the Mediterranean 'way of life', the same educational system in the former (Yugoslav) state, and others. However, more research on this topic needs to be undertaken before restaurant service quality in both destinations is more clearly understood. These findings have important implications for future quality and development strategies in both tourist destinations.

Conclusions and Implications

Returning to the research question posed at the beginning of this study, it is now possible to state that there are similarities in domestic customers' quality expectations and perceptions in both destinations. This study has identified the crucial quality dimensions that best explain restaurant quality expectations (cleanliness and appearance of facilities and staff; assurance; individual attention; satisfaction and loyalty; basic demands; responsiveness and reliability) and quality perceptions (overall dining experience and restaurant ambience) in both destinations. These findings enhance our understanding of restaurant quality in two neighbouring and competitive tourist destinations.

Moreover, the research conducted in Piran identified the same crucial quality dimensions as the previous research conducted in Opatija, where restaurant quality had been measured before the economic crisis in 2009. It can, therefore, be assumed that the economic crisis did not have any influence on domestic customers' quality expectations and perceptions. The research has also shown that the level of overall restaurant quality in both destinations is unsatisfactory. Therefore, it can also be assumed that Slovene customers in Opatija are dissatisfied with their (Croatian) restaurants (and vice versa).

The findings of this study have important implications for future practice as they provide clear information about restaurant quality in both destinations. Once customers' expectations are identified, restaurant managers must strive to fulfil these expectations. The key policy priority should, therefore, be to plan quality improvements in both destinations (e.g. the implementation of quality management systems, training and educational programs, exchange of best practices, etc.). This study has also found that the

cooperation between restaurant providers and academics (regarding research into restaurant quality) is generally weak in both neighbouring destinations. As restaurants represent an important segment of a destination's facility and services, restaurant quality should be regularly evaluated.

A number of possible future studies using the same experimental structure are recommended. It would be interesting to assess restaurant quality in other neighbouring and competitive North Mediterranean tourist destinations such as Venice, Italy and/or other cities of the Istrian peninsula. Finally, a number of significant limitations need to be considered: the study is based only on domestic customers; customers (tourists) from the major foreign sending (emitive) markets (Germany and Italy) were not included in the research; service quality in different types of F&B facilities (such as 'Konobe', inns, guesthouses, etc.) was not evaluated; facilities that operate within hotels (half- and full-board restaurants) were not included in the study; paired *t*-statistics was not measured as we do not possess primary (raw) statistic databases of both research studies. To develop a full picture of restaurant quality in both destinations, additional studies are needed. More research is needed to better understand whether (and how) the tax legislation influences customers' perceptions of specific quality attributes. Regarding directions for future research, further work could also investigate restaurant service providers' perceptions of customers' expectations (the perception gap). Therefore, it is suggested that these limitations be taken into account in future studies. Nevertheless, DINESERV proved to be a useful diagnostic tool that can be easily applied to future restaurant and destination quality management strategies.

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