

Saarth

E-Journal of Research

ISSN NO: 2395-339X

Understanding Customers Restaurant Purchasing Behavior

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The economy of India is a developing mixed economy. It is the world's sixth largest economy by nominal GDP. It is expected to be the third largest consumer economy as its consumption may triple to US\$ 4 Trillion by 2025, owing to shift in consumer behavior and expenditure pattern, according to a Boston consultancy group report and Ministry of Commerce and Industry , Government of India, 2018.

International Hotel chains are increasing their presence in the country, as it will account for around 47 percent share in the Tourism and Hospitality sector of India by 2020 and 50 percent by 2022.

Consumer expectations are significantly different for high end full service restaurants. Service quality is being considered as one of the most necessary and winning phenomenon affecting consumer behavior in the Hospitality Industry and being stated as having a strong predictive capability for customers loyalty intentions or Patronage.

The present study investigates the preferences of customers based on service, food quality and ambience in restaurants.

Key Words: Consumer, Behavior, Restaurants.

Introduction:

Maslow, in his Need Hierarchy model has listed food as the basic physiological need of every human being. Food, in India has been the representative of the varied cultures that dwell in the country. It is believed that the cuisines that we see today are as old as mankind itself. Initially food was the means to quench ones hunger and keep the vigor alive to accomplish work. But now the scenario has changed, food not only satiates the hunger but also provides a mean for people to bond over. Consumption of food was earlier done at ones home or a relative/ friends home. But, with the advent of wheel and growth of tourism people started travelling long distances for work and leisure and thus the need to make provision for food along with accommodation arouse. The oldest forms of restaurant in India are small stalls, vendors and dhabas, quite similar to the ones that we see today. Gradually with more exposure to the western culture and with the increase in the spending capacity of an individual, the organized sector of eateries like fine dine restaurants, coffee shops, cafeterias, food courts etc evolved.

Eating outside home became a matter of convenience, change in routine, socializing and entertainment. But as the market of 'eating out' consumers increased, their varied food demands had to be met by an increase in the number of food outlets/restaurants. The consumers are now spoilt for choices among these fine dine restaurants, and these restaurants do everything possible to attract consumer. Since this is a totally service oriented and a highly competitive industry, it is very important to study consumer behavior towards the various factors that make a restaurant desirable.

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ISSN NO: 2395-339X

There are many factors like location, menu, budget etc. that definitely influence the loyalty of the consumers towards the restaurants but it has been established that customer service, food quality and ambience are the three guiding factors that majorly influence the reason why a customer keeps coming back to the same food outlet.

The present study aims at understanding how these factors help build consumer patronage and their willingness to pay for the services offered.

Definitions:

Restaurant: Wikipedia define 'restaurants' as 'a business which prepares and serves food and drinks to customers in exchange for money. Meals are generally served and eaten on the premises, but many restaurants also offer take-out and food delivery services, and some offer only take-out and delivery. Restaurants vary greatly in appearance and offerings, including a wide variety of cuisines and service models ranging from inexpensive fast food restaurants and cafeterias to mid-priced family restaurants, to high-priced luxury establishments.

Service quality: Philip Kotler (1997) defined service as 'an action or an activity which can be offered by a party to another party, which is basically intangible. On the other hand, Zeithaml and Bitner (1988) mentioned that, 'Service quality is a focused evaluation that reflects the customer's perception of specific dimensions of service namely reliability, responsiveness, assurance, empathy, tangibles.' Based on the assessment of service quality provided to the customers, business operators are able to identify problem quickly, improve their service and better assess client expectation.

Food quality: Food quality is the quality characteristics of food that is acceptable to consumers. This includes external factors as appearance (size, shape, colour, gloss, and consistency), texture, and flavour and internal (chemical, physical, microbial).

Ambience: Cambridge Dictionary defines ambience as the 'character of a place or the quality it seems to have.

Literature Review

A number of researches have been conducted in order to determine the factors that shape consumer behavior in favor of a restaurant. Restaurants also take keen interest in these studies so that it may garner appropriate data and work in lines with it in order to secure consumer patronage.

Customer Satisfaction and Customer Loyalty is becoming increasingly important to meet customer expectations and retaining their loyalty. According to Disney (1999), service quality is a major factor that helps firms, satisfy their customers and in turn gain their loyalty. There is strong evidence indicating that customer satisfaction and loyalty positively affect performance of service firms in general (Edvardsson, Johnson, Gustafsson, & Strandvik, 2000) and restaurants in particular (Oh, 2000).

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Companies that retain satisfied and loyal customers were found to earn greater profits through higher margins (Barsky & Nash, 2003). Apart from enhancing profitability, customer satisfaction and loyalty is also important for lowering marketing costs and spreading positive word-of-mouth (Bowen & Chen, 2001; Dwyer, Schurr, & Oh, 1987; Eskildsen & Kristensen, 2008). It has been stated that word-of-mouth greatly impacts the popularity of restaurants (Zhang, Ye, Law, & Li, 2010). Customer satisfaction is directly related to repurchase intentions and word of mouth recommendations (Yu, 2002, cited in Qin & Prybutok, 2008). Thus, gaining customer satisfaction is an important criterion for long term success of an organization. Customer satisfaction enhances the possibilities of return patronage (Dube, Renaghan, & Miller, 1994). Customer satisfaction is also important considering the findings that the financial performance of firms is positively and significantly impacted by improvement in customer satisfaction (Gupta & Zeithaml, 2006). In a study by Helgesen (2006), there was a positive link between customer satisfaction and customer loyalty and between customer loyalty and customer profitability. However, past research suggests that high customer satisfaction is not a passport to success. Thus, the strength of the satisfaction is an important aspect that cannot be ignored and indicates that restaurant managers need to be specific about the parameters that account for customer satisfaction and loyalty (Terblanche & Boshoff, 2010).

In the restaurant industry, consumer perception of pace of the menu offerings also impacts their satisfaction. With reference to quick-service restaurants, a quick meal pace suits the restaurant managers as it decreases the wait time for other customers. This is especially true during peak demand hours or periods. It also results in a less likelihood of losing customers due to excessive waits and an increase in covers and revenues. In contrast, at fine dining and casual restaurants, consumers are less sensitive to the speed of service preferring high quality and slow pace service as they enjoy and experience the dining occasion, Dutta et al. According to the National Restaurant Association (2012), consumers typically spend 2 to 3 hours in a full-service restaurant and approximately 30 to 45 minutes at quick-service restaurants. This indicates that there is a significant difference in expectation between the different types of restaurants. A quick pace at a fine dining restaurant lowers the satisfaction level but it increases satisfaction level in the quick-service restaurant segment (Noone, Kimes, Mattila, & Wirtz, 2007). These suggest that marketers need to understand the perception of the consumers towards the service attributes to evaluate the tradeoffs.

Service Attributes (Service Quality, Food Quality, and Ambiance) Most of the previous research has recognized that restaurant quality has several dimensions. Mittal, Ross, and Baldasare (1998) have recognized several reasons to use multi-attribute models of quality. "First, consumers are more likely to render evaluations of their post-purchase experiences of satisfaction at an attribute level rather than at the product level. Second, an attribute-based approach enables researchers to conceptualize the commonly observed phenomenon such as consumers experiencing mixed feelings toward a product or service" (Mittal et al., 1998, p. 35). Earlier studies have used the SERVQUAL model that recognizes reliability, responsiveness, empathy, assurance, and tangibles as the key aspects of quality (Bojanic & Rosen, 1994; Cronin & Taylor, 1994; Lee & Hing, 1995; Parasuraman, Zeithaml, & Berry, 1988). However, this model did not include several unique characteristics of restaurant operations. This resulted in the development of a new model named DINESERV that

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E-Journal of Research

ISSN NO: 2395-339X

included restaurant specific dimensions such as ambiance, food, and service quality (Kim, Ng, & Kim, 2009; Stevens, Knutson, & Patton, 1995). There are also other factors such as price (Andaleeb & Conway, 2006) that effect quality.

In research by Dube and colleagues (1994), the authors noted that for upscale restaurants, food quality is most important for repeat purchase intentions, followed by service and ambiance. In the case of QSRs, it is the service quality and food quality that drive consumers to repurchase as shown by DiPietro, Parsa, and Gregory (2010) and Qin and Prybutok (2008).

SERVICE QUALITY

Superior service quality ensures higher economic returns (Qin & Prybutok, 2008) and also impacts loyalty towards the service provider (Kandampully, 1998) and is therefore, an important attribute for chain restaurants (Jauhari & Dutta, 2009). Service quality is possibly the most studied aspect of restaurant quality (Cronin & Taylor, 1992; Dabholkar, Shepherd, & Thorpe, 2000; Ha&Jang, 2010; Mattila, 2001). Service quality is usually defined as the customer's judgment of the overall excellence or superiority of the service (Zeithaml, 1988). In the restaurant industry, service quality is viewed as intangible benefit such as responsive, courteous, caring, and professional behavior provided by the service staff.

FOOD QUALITY

The food quality dimension of total restaurant quality has also received significant academic attention (Ha & Jang, 2010; Namkung & Jang, 2007; Ryu & Han, 2010). In her study, Mattila (2001) indicated that food quality was the most important attribute of overall restaurant service quality. It has been shown that food quality positively affects dining experience and it is crucial for restaurant operations (Namkung & Jang, 2007; Sulek & Hensley, 2004). Furthermore, Mattila (2001) considers food quality as a key predictor of customer loyalty in casual-dining restaurants.

AMBIENCE

Quality of ambience was shown to be of high importance in hospitality industry, especially in restaurants (Bitner, 1990; Ha&Jang, 2010; Hul, Dube, & Chebat, 1997; Raajpoot, 2002; Reimer & Kuehn, 2005; Ryu&Han, 2010; Turley & Milliman, 2000; Wakefield & Blodgett, 1996; Wall & Berry, 2007).

Originally Bitner (1992) has introduced the concept of "services capes," which explains that physical surroundings in any service industry have a major effect on both employees and customers. As a result, restaurants place a greater importance on the quality of their ambience. Kim, Lee, and Yoo (2006) have recognized atmosphere, interior design, lighting, and dining area layout as crucial tangible aspects of restaurant service that has an effect on customers' behavior and their perception of the restaurant. Moreover, Wakefield and Blodgett (1996) have claimed that perception of a restaurant's service scape is affected by layout, accessibility, facility aesthetics, electronic equipment, seating comfort, and cleanliness. Dutta, Venkatesh, and Parsa (2007) noted that importance for service attributes is further compounded by the fact that the dissonance remains even after the service recovery has taken

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E-Journal of Research

ISSN NO: 2395-339X

place. Dube and coworkers (1994) mentioned that respondents tend to trade off various service attributes while expressing their intentions to repurchase. Thus, it is important for 154 K. Dutta et al. managers to prioritize the service attributes (service quality, food quality, and ambiance) and make necessary improvements to realize the highest return on investment possible. It becomes increasingly important when investment resources are limited and service facilities need upgrades to keep up with the changing competitive environment. Hence, the current study investigates the relationship between service attributes (service quality, food quality, and ambiance) and consumer willingness to pay and patronage.

Conclusion:

This review paper examined the relationships among food and service quality, restaurant image, customer satisfaction, loyalty and customer behavior in the context of fine dining restaurants. The reviews indicated that overall customer satisfaction was primarily influenced by food quality and staff service which also significantly influenced customers' perception of restaurant image. This suggests that image is not only reflected from "tangible" physical attributes, such as the exterior design and interior decoration of the restaurant, but also reflected from "soft" employee service. The importance of food to the fine-dining restaurant image is also consistent with previous findings that menus and food are important components of a restaurant's image (Kandampully & Suhartanto, 2000). The reviews also showed that customer satisfaction and restaurant image jointly influence customer behaviour. The importance of restaurant image to customer loyalty might be due to the fact that fine dining restaurant customers seek prestigious experiences, which are jointly created through the finest food, service, decoration and atmosphere (Thomas & Mills, 2006). Good images carry social values to these customers and thus are essential prerequisite of customer loyalty.

Thus, it may be concluded that although there are several factors like spending capacity, proximity, menu list etc. that have an influence on the consumer behavior towards the choice in fine dine restaurant but the three main important attributes that insure consumer patronage are food quality, service quality and ambience.

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ISSN NO: 2395-339X

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