

Consumer Preferences Towards Service Industry: A Factorial Study of Restaurants

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INTRODUCTION

Globalization has made drastic changes in world economy and it has offered loads of opportunities for business houses and industries -specifically hospitality services. The Restaurant industry today is a diverse composite of ownership patterns and varying management structures which offer a variety of services. However, the basic product, which is the Food-Drink remains the same. With the emergence of weekend culture in metros, increment in standard of living of service class people, emergence of mall and retail culture, the Indian restaurant industry has a profitable future. Customers usually consider various factors before making a choice of a restaurant. These factors may be understood as service, taste, cleanliness, location, charge, payment mode, loyalty, free gifts, variety in terms of food available., brand name etc. These are the reasons due to which identification of customer preference becomes a needy element for restaurant management.

One consumer would in general have different consumption behaviors or preferences from another. He may spend money on computers and technical books, while the other may spend on clothing and food. Availability of this information on consumer preference will be of great value to a marketing company, a bank, or a credit card company that can use this information to target different groups of consumers for improved response rate or profit. By the same token, information on consumption preference of the residents in one specific region can help businesses in planning their operations in this region for improved profit. Therefore, it is very important to have a tool that can help to analyze consumer's behaviors and forecast the changes in purchase patterns and changes in purchase trend.

The study found links between consumer preferences and the restaurant's attributes. The study depicted (by analysis of various factors) how consumers get attracted towards a restaurant. This study provided a guideline for the marketer to understand consumer preferences regarding restaurant selection.

REVIEW OF LITERATURE

Carroll, Siguaw, Cornell (2003) discovered that the rise of internet-based room reservations is presenting a challenge for controlling distribution, while also working with intermediaries that can help sell rooms to hoteliers. Electronic distribution of room information, prices, and availability are major choice factors that customers use to reserve hotel rooms. Reservations, which used to come through travel agents and hotel chains' call centers, are now being generated online by individual customers and corporate travel planners. Customers are using online intermediaries to contact hotels or chains.

Cheah, Jeanie (2008) identified that in restaurants of southern India, using the large leaf as a plate is not a surprise. Right way to eat would be with the fingers, but many non-Indian diners choose to use the cutlery. It certainly takes away worry of removing the curry and masala stains after a satisfying meal. Moreover, it states that using fingers to scoop up the food is more complicated.

Rodriguez, Berges, Casellas (2002) explained the Argentinean consumers are less likely to buy fresh fruit and vegetables, red meat, and bread at a supermarket. They would rather buy these from shops offering personal attention and services for those products. It shows that controlling for region- the more the education, income, durable assets like: car, refrigerator etc are responsible. These can be understood as region, parity and structure.

Fraj, Martinez (2007) focused on environmental and natural attitudes as predictor of ecological behavior of consumers.

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A three-dimensional approach to this variable has been developed by the researchers. It explains the factors as emotional, cognitive and co- native components. In his study, random sample survey of 573 individuals was used to verify the conceptual model and framework. This model was assessed firstly by principal factor analysis and then by structural equation modeling. Findings of this study showed that environmental attitudes have an important influence on ecological behavior.

Sukalakamala, Boyce (1998) discovered the importance of knowing consumer preferences and observed that demand estimation is essential to success. This research investigated customers' perceptions, acceptance and expectations. This study was focused related to an authentic Thai dining experience. This research examined the degree of authenticity which customers expect from the dining experience. One of the major goals of this research is to provide facts for restaurant's owners/managers. Their service must be based on customer expectations for an authentic cuisine experience.

Strugnell (1997) focuses on Irish consumers as to why they are becoming more accustomed to ethnic cuisine although traditional meals are popular. This paper focused on a consumer questionnaire designed to examine consumer attitudes towards consumption of chilled ready meals. This study was done in both the north and south of Ireland. This formed part of a larger study on a selected range of chilled ready meals. It was found that consumption of these products is higher in Ireland than in the UK mainland. The products are often purchased as a convenient alternative or a weekly treat. Respondents in urban locations were significantly more likely to consume chilled ready meals comprising of men, younger and single respondents.

McCoolb, Feinstein (1998) examined attributes that contribute to consumer meal choice decisions within a prix fix menu. The results showed that consumers consider value for price as the most important consideration for their meal bundle choices. The results also showed that familiar and healthy foods also contribute to the selection process. However, consumers avoid the risk of choosing new menu products. Drawing on ideas of consumer purchase behavior, factors potentially influencing consumers' meal choice are identified and empirically tested.

OBJECTIVES OF THE STUDY

- To develop and standardize a measure for evaluating consumer preference for selection of restaurants.
- To identify the underlying factors for selection of restaurants.
- To open new vistas for further researches.

RESEARCH METHODOLOGY

The Study

The study was exploratory in nature with survey method being used to complete the study.

Sampling Design

Population: Population included consumers of different restaurants of Gwalior region.

Sampling Element: Individual respondents were the sampling element.

Sampling Technique: Purposive sampling technique was used to select the sample.

Sample Size: Sample size was 150 respondents.

TOOLS FOR DATA COLLECTION

Self-designed questionnaire was used for identification of underlying factors responsible for consumer preference regarding selection of a restaurant. Data was collected on a Likert type scale, where 1 stands for minimum agreement and 7 stands for maximum agreement.

TOOLS FOR DATA ANALYSIS

Item to total correlation was applied to check the internal consistency of the questionnaire.

- The measure was standardized through computation of reliability and validity.
- Factor analysis was applied to identify the underlying factors responsible for consumer preference regarding selection of restaurants.

ANALYSIS OF CONSISTENCY

First of all, consistency of all the factors in the questionnaire was computed by applying item to total correlation

analysis. Under this, correlation of every item with total is measured and the computed value is compared with the standard value (0.159). If the computed value is found less than the standard value, then the whole statement will drop and will be termed as inconsistent; if the value is found to be more than the standard value, then the statement is termed as consistent.

If the item of total correlation was above the standard value for all, the factors affecting the consumer preference are found to be consistent.

Table No. 1 : Table of Total Correlation

Item	Coefficient of Correlation	Consistency	Accepted/Dropped
Menu Variety	0.464	Consistent	Accepted
Reasonable Price	0.188	Consistent	Accepted
Promptness Of Service	0.469	Consistent	Accepted
Sitting Arrangement	0.451	Consistent	Accepted
Quality of Food	0.392	Consistent	Accepted
Quality of Beverages	0.329	Consistent	Accepted
Waiter's Attire	0.294	Consistent	Accepted
Cleanliness	0.391	Consistent	Accepted
Interior	0.552	Consistent	Accepted
Staff's Friendliness	0.522	Consistent	Accepted
Accessibility	0.321	Consistent	Accepted
Staff's Responsiveness	0.388	Consistent	Accepted
Relaxing Atmosphere	0.349	Consistent	Accepted
Separate Seating Arrangement For Family	0.311	Consistent	Accepted
Attitude of Staff	0.425	Consistent	Accepted
Cuisine	0.501	Consistent	Accepted
Special Events at Restaurant	0.389	Consistent	Accepted
Physical Appearance	0.564	Consistent	Accepted
Location	0.530	Consistent	Accepted
Staff's Courtesy	0.456	Consistent	Accepted
Attentiveness of Staff	0.477	Consistent	Accepted
Availability of Payment Options	0.514	Consistent	Accepted
Parking Place	0.441	Consistent	Accepted
Discounted Packages	0.392	Consistent	Accepted
Take Home Facility	0.160	Consistent	Accepted
Past Experience	0.166	Consistent	Accepted
Behavior of Staff	0.210	Consistent	Accepted

RELIABILITY MEASURE

Reliability test was carried out using SPSS software and reliability measure is given below :-

Cronbach's Alpha	0.777
N of Item	27

It can be seen that reliability value is above to 0.700 in the reliability method applied. So the questionnaire is highly reliable.

ANALYSIS OF VALIDITY

The Face validity method was applied to the questionnaire and it was found to be satisfactory.

FACTOR ANALYSIS

In order to find out the factors affecting the selection of restaurants: A Consumer Preference, SPSS software was used. This analysis considered 27 items and all of them were accepted. Principle component using varimax rotation in SPSS software has resulted in seven factors.

Firstly, the data of the item was coded in SPSS software; then Eigen Value is calculated which gave the value of total and variance. The total analysis is explained in four ways i.e. first is factor name, second is Eigen value, third is statement, fourth is loading.

DESCRIPTION OF FACTORS

1. Payment options and behavior of staff has emerged as the most important determinants of factor affecting selection of restaurant with the total 4.4760 and variance 17.631. Major element constituting this factor includes - availability of various payment options.

2. Ambience and Experience affects the selection of restaurants with the total 2.676 and variance 9.910. Major element constituting this factor includes- Attitude of Staff with loading 0.740.
3. Comfort and promptness is one of the most important determinants with a total 1.923 and variance 7.123. Major element constituting this factor includes- Promptness of Service with loading 0.742.
4. Ambience is also one of the important determinants with total 1.680 and variance 6.222. Major element is – Uniform of Waiter with loading 0.703.
5. Packages and service is one of the important determinants with total 1.534 and variance 5.681. Major element constituting this factor includes- Discounted Packages with loading 0.717.
6. Behavior and loyalty with total 1.405 and variance 5.204. Major element is- Behavior of Staff with loading 0.785.
7. Hygiene and Quality of food are important determinants with total 1.245 and variance 4.611. Major element constituting this factor includes- Quality of Food with loading 0.713.
8. Price is one of the important determinants with total 1.123 and variance 4.177. Major element constituting this factor includes- Reasonable Price with loading 0.834.
9. Quality of beverages is the last determinant which has total of 1.030 and variance 3.815. Major element of this factor is - Quality of beverages with loading 0.638.

Table 2: Table of Factor Analysis

Factor Name	Eigen	Value	Statements	Loading
	Total	% Variance		
Payment options and behavior of staff.	4.760	17.631	22-Availability of payment options	.753
			21- Attentiveness of staff	.745
			18- Physical appearance	.682
			17- Special event	.663
			19- Location	.588
			20- Staff's courtesy	.583
			23-Parking place	.539
Ambience and Experience	2.676	9.910	15- Attitude of Staff	.740
			13- Relaxing Atmosphere	.639
			14-Separate seating arrangement for family	.607
			16- cuisine	.598
			12- Staff's responsiveness	.581
			11-Accessibility	.488
Comfort and promptness.	1.923	7.123	03- Promptness of service	.742
			04- Sitting Arrangement	.741
Presentation	1.680	6.222	07- waiter's attire	.703
			09- Interior of the restaurant	.654
			10- Staff's attitude	.517
Packages and service	1.534	5.681	24- Discounted packages	.717
			25- Take away facility	.656
Behavior and loyalty	1.405	5.204	27- behavior of staff	.685
			26-Past experience	.755
Hygiene and Quality of food	1.245	4.611	05- Quality of food	.713
			08- Cleanliness	.559
Price	1.123	4.177	02- Reasonable price	.834
Quality of beverages	1.030	3.815	06- Quality of beverages	.638

SUGGESTIONS

- There must be various payment options available in restaurants like cash, credit card, cheque etc.
- The ambience should be good in order to provide a good and healthy experience.
- The restaurant management must focus on customer comfort and promptness of service.
- Restaurant must focus on its ambience and food packaging.
- The behavior of the staff should be polite so as to gain loyalty of consumer.
- Restaurant management must put its attention on hygiene factors.

CONCLUSION

In the present business scenario, identification of consumer preference has become a crucial element. In this study, we found that consumers prefer those restaurants that provide the maximum degree of satisfaction. By this study, it has been concluded that various factors are responsible for affecting the choice of consumers regarding restaurants.

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consumers are generally familiar with such products, home their attitudes and values related to purchase and consumption will be different. The conversion of rural consumers to purchase sophisticated products is a great challenge for the marketers. But this kind ensures a good demand for sophisticated products in the future. Here, the marketers may have to work harder to sell their goods in rural areas, because of the diversity of values and attitudes present in these regions.

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The restaurant management can increase their sale and market share by taking into account these underlying factors. The various factors are payment options and behavior of staff, presentation, price, hygiene and quality of food, quality of beverages, ambience and experience, behavior and loyalty, comfort and promptness, packaging and service.

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