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Restaurant Selection Criteria: Understanding the Roles of Restaurant Type and Customers' Sociodemographic Characteristics

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ABSTRACT

In order to attract new customers and retain existing customers, restaurants need to identify the criteria on which customers determine the restaurants where they eat. The present study examines the restaurant selection criteria being employed by U.S. customers. This study also examined if there is any difference in selection criteria and it would differ across fast-service and full-service restaurants as well as customers' sociodemographic characteristics such as gender, age, and income. Data for the study is a part of the BIGresearch's CIA (Consumer Intentions and Actions) survey, which encompasses more 8,127 customers from diverse socio-economic groups, and thus provides a basis for deriving empirical generalizations regarding restaurant selection criteria. Theoretical and practical implications are also discussed.

Keywords: *Restaurant Selection Criteria, restaurant type, sociodemographic characteristics.*

INTRODUCTION

As the number of meals eaten outside the home continues to increase, the restaurant industry is one of the fast growing service industries in the U.S. With growing competitiveness in the restaurant industry and the similarity of products or services offered by restaurants, it has become increasingly important that restaurants identify the factors that determine the basis upon which customers choose between restaurants.

The issue of how customers select restaurants has been given considerable attention by both researchers and practitioners. However, surprisingly little research has been generated on the criteria customers use in order to select a restaurant to dine-out. Furthermore, previous studies have not considered the extent to which important choice criteria would differ depending on the restaurant type. It is also important to note that customers with different characteristics tend to use different criteria in choosing restaurants. Exploring such information will help restaurants to identify the appropriate marketing strategies in order to attract new customers and retain existing customers.

Therefore, the present study attempts to examine customers' reasons of selecting a restaurant when they dine-out. More specifically, the purpose of this study is threefold: (1) to explore restaurant attributes that customers perceived to be important in the selection of

restaurants (2) to examine if there is any difference in selection criteria between fast-service and full-service restaurants (3) to compare the characteristics of frequent users of fast-service restaurants and full-service restaurants in terms of their socio-demographics.

Our dataset, which encompasses 8,127 customers from diverse socio-economic groups, provide a basis for deriving empirical generalizations regarding restaurant selection criteria. It is a representative sample of the U.S. population, collected by the BIGresearch firm. As Bass and Wind (1995) pointed out, science is the process in which data and theory interact leading to generalized explanations of disparate types of phenomena. Thus, empirical generalizations are the building blocks of science. However, research in the hospitality management, in particular, has been largely dependent on very limited sample composition and size and it is so hard to generalize the results.

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LITERATURE BACKGROUND

Restaurant attributes

Restaurant selection criteria are the most important attributes that customers use in deciding where to dine-out. Customers may apply diverse criteria in evaluating the importance of attribute affecting their restaurant choice. There is a wide range of literature concerning the selection of restaurants. For instance, Lewis (1981) considered five factors: food quality, menu variety, price, atmosphere, and convenience factors. Jang and Namkung (2009) suggested three factors: service quality, product quality, and atmospherics as main restaurant attributes affecting perceived quality of restaurant experiences. The total dining experience in a restaurant is comprised of not only food itself, but also the atmosphere (physical aspects) and the service provided. Although a variety of restaurant choice criteria were identified, previous studies have not considered how the selection criteria differ according to the restaurant types and how frequent users for fast-food and full-service restaurants differ in terms of their socio-demographic characteristics and the criteria they think as important.

Restaurant type and restaurant choice

Restaurants can be broadly divided into two categories: fast-service and full-service restaurants. Although previous research in customer behavior in restaurant settings did not take restaurant type into account, restaurant type may have significant impact on customers' pre-purchase beliefs and attitude as well as post-purchase evaluations. Since customers hold different expectations and perceptions of their different dining experiences in a different restaurant type (Kim & Moon, 2009), they may also have different selection criteria when they decide where to dine-out according to the restaurant type. A particular reason to select one type of restaurant may be different from one to select another type of restaurant. Overall, full-service restaurants are more likely to attract hedonic customers who pay more attention to restaurant environments, whereas fast-service restaurants tend to appeal utilitarian customers who value functional benefits.

For instance, Lewis (1981) identified three distinct restaurant types (family/popular, atmosphere, and gourmet restaurants) and compared the underlying restaurant choice attributes. Quality of food was found to be the most important factor in intention to go any of the restaurants. While the price was the second important factor in family and atmosphere

restaurants, menu variety appeared to be significant in gourmet restaurant. These results indicate that consumers use different criteria to select different types of restaurants.

Customer characteristics and restaurant choice

The question of how sociodemographic variables influence consumer behavior is an important issue that has to be studied with respect to the consumer's purchasing decision. Indeed, in consumer behavior literature, personal characteristics are one of the major factors determining consumer decision-making and subsequent behaviors. For example, Knutson and Patton (1993) found that older customers are more concerned about their health and the quality of food was identified as important. In a more recent study, Soriano (2002) found that food quality did not stand out as the most important reason for young customers; however, customers over 60 years of age indicated food quality is the most important attribute determining their satisfaction. Differences across gender are also studied. The primary characteristics that compared to female consumers, male consumers sought when choosing a product or brand are usually more utilitarian. Customers with higher income have selected ambience and comfort level as their determinant selection variables (Kivela, 1997). Therefore, it is logically assumed that customers with different individual characteristics have different reasons to choose a restaurant.

METHODOLOGY

Sample and data collection

The secondary data used in this study was a part of the CIA (Consumer Intentions and Actions) Survey collected by an online research company named BIGresearch. BIGresearch's CIA measures purchase plans, shopping behaviors, migration from one store to another and other retail shopping behaviors and planned actions. Conducted quarterly, each time with a statistically projectable national consumer base, the research is delineated on the basis of the U.S. Census. Their survey comprises data from 8,197 panel members surveyed in January 2010. The panel is distributed across the entire population of the United States and is selected and contacted by BIGresearch. Unlike other studies in hospitality management, the sample of this study is based on a well posed random sample reflecting the general U.S. population.

Measurement

The BIGresearch CIA survey contains a total of 157 items including demographics as well as general consumption behaviors for various services and products. Among these, 10 questions were associated with customers' dining out behaviors at a restaurant. Restaurant choice attributes were measured with "Which of the following are reasons why you eat there most often?" For fast-food restaurants, respondents were asked to check all that apply among "advertising", "cleanliness", "décor of the restaurant", "fast service", "healthy menu option", "kid friendly", "location", "menu selection", "open late", "portion size", "price", "quality of food", "value menu", and "trustworthy establishment". In terms of full service restaurants, "advertising", "cleanliness", "décor of the restaurant", "fast service", "friendly service", "friendly wait staff", "healthy menu option", "kid friendly", "location", "menu selection", "open late", "portion size", "price", "quality of food", "reservations taken", "special offer/discounts", and "trustworthy establishment"

Data analyses

Descriptive statistics such as frequencies are first performed on the sociodemographic characteristics of respondents and their restaurant selection criteria. Next, a preliminary exploratory factor analysis (EFA) will be conducted to identify underlying dimensions associated with restaurant attributes. For the exploratory factor analysis, the Comprehensive Exploratory Factor Analysis (CEFA) program (Browne, Cudeck, Tateneni & Mels, 1998) will be used to accommodate the binomial answers of the restaurant attribute preference questions. ANOVA will be then conducted in order to identify attributes that have a significant influence on frequency of visits. To compare the important attributes in choosing restaurant according to the restaurant type, separate analyses are conducted for fast-service and full-service restaurants, respectively. Finally, this study performs logistic regression and Chi-square analyses to examine the role of demographic characteristics on their restaurant selection attributes.

IMPLICATIONS

This research attempts to deepen understanding about consumer decision-making when selecting a restaurant and what criteria are of most importance, and how selection criteria differ across different restaurant types and different characteristics of consumers such as socio-demographics. Although the method used in this study is descriptive, the results may provide some practical implications to the restaurant industry. To be successful, a restaurant has to be able to meet consumers' expectation by understanding customers' reasons for selecting a particular type of dining experience. Moreover, as the consumer market becomes increasingly fragmented, restaurants should be aware of the needs of differentiating customer segment and appeal targeted customers by focusing on their important restaurant attributes in choosing where to dine-out. This research will help managers determine which restaurant attributes are more important to their target customers to meet customers' expectations. Restaurants may need different marketing strategies according to customers' selection criteria.

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