What are the current factors affecting consumer selection criteria in formal full service restaurants in Port Elizabeth, South Africa?

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Abstract

The main objective of this study was to determine the factors that affect consumer selection criteria in formal full-service restaurants. The study is based on primary data collected from respondents with the help of structured questionnaires. The questionnaires were administered at selected formal full-service restaurants in Port Elizabeth. In total, 400 valid responses were included in the statistical analysis. In order to meet the study goals, factor analysis was conducted. Such analysis considered various impact related variables as convenience, to relax, been there before, celebration, business need, social occasion, quality food, good service, good ambience, quietness and recommendations on selection of formal full-service restaurants. The Statistical Package of Social Sciences (SPSS) software was used to analyse the data. The empirical results show that good service, quality of food, recommendations by others and good ambience, mostly influence the selection of formal full-service restaurants. The study is important as it offers views on current consumer preferences and behaviour towards restaurant selection. From a managerial perspective, the study also provides information on how restaurateurs can capture, segment and communicate with consumers and meet consumer’s desire.

Keywords: formal full-service restaurants, statistical analysis, factor analysis, consumer selection, South Africa

Introduction

Restaurant customers are generally composed of individuals from different cultural, ethnic and economic backgrounds and most of whom have definite and conflicting restaurant preferences (Akinyele, 2010). As such, they have different characteristics; hence, they tend to use different criteria in selecting restaurants (Chung & Kim, 2011). A deeper understanding of consumers’ selection criteria will provide restaurateurs with valuable information and insights which enable them to attract and retain more consumers (Jang & Namkung, 2007). Thus, the central question for restaurant managers is: what are the major attributes that influence their restaurant choice?

In the available current literature, menu price is one of the major factors determining consumer decision-making and subsequent behaviours (Chung & Kim, 2011). Kafel and Sikora (2013) assert that restaurant consumers use price as a measure for the quality of the restaurant, assuming that an expensive restaurant serves better food and offers better quality. Therefore, the relative importance of the restaurant choice factors differ considerably by restaurant price (Massawe, 2013). Consequently, there is a need to understand the choice factors and their relative importance that influence restaurant patrons’ decision so
that restaurateurs can supply their offerings and develop strategies accordingly (Josiam & Monteiro, 2004).

The type of restaurant which customers want to visit is another factor that influences restaurant selection as recognised by Hensley and Sulek (2004). Kim and Moon (2009) posit that since customers hold different expectations and perceptions of their different dining experiences in a different restaurant type, they may also have different selection criteria when they decide where to dine out according to the restaurant type. Chung and Kim (2011) claim that 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. Therefore, the selection criterion varies according to the type of restaurant customers want to visit (Kivela, Inbakaran & Reece, 1999).

Soriano (2002) asserts that food quality is the other factor influencing consumers’ restaurant selection behaviour. Josiam and Monteiro (2004) concurs that unique food taste and ingredients play an important role for consumers when selecting a restaurant. Restaurants frequently develop new menus and offer a selection of different menu items to increase customer frequency (Mhlanga, Hattingh & Moolman, 2014). Therefore, it is crucial that restaurateurs understand the influence of food quality on restaurant selection criteria as this information can guide them in their target marketing (Ryu, Lee & Kim, 2012; Kleynhans & Roberson, 2015). The physical environment of the restaurant such as restaurant’s atmosphere, ambience, décor, furniture and other facilities can have a great impact on consumer selection behaviour (Kivela et al., 1999). Customers generally feel superior in restaurants with elegant ambience, décor and furniture and they claim that the ambience and style suit their esteem need (Akbar & Alaudeen, 2012). Appearance and presentation refer to the way food is decorated and help to gain customer satisfaction in restaurants (Kivela, Inbakaran & Reece, 2000).

From the preceding points, it is logically assumed that customers with different individual characteristics have different reasons to choose a restaurant. Thus, the paper seeks to contribute new body knowledge to the restaurant industry in a developing economy like South Africa given the advancing phenomena of eating out in South Africa and in view of the scarcity of empirical research describing the restaurant selection behaviour of South Africans. In plight of the above research gaps and contradicting research findings, the explicit significance of the study is to examine the restaurant selection behaviour of South Africans.

Factors that influence customer choice of restaurants

Several research had been done to ascertain factors that influence consumers to choose restaurants. According to Wang and Chen (2012), food quality was found to be the most important consideration influencing restaurant selection by consumers. In another research, Auty’s (1992) found that food types were the most important factor in choosing full-service restaurant. According to Auty (1992), the following ten variables were found to have an influence on restaurant selection: food type (71%); food quality (59%); value for money (46%); image and atmosphere (33%); location (32%); speed of service (15%); recommended (11%); new experience (9%); and opening hours.
In another study, Akbar and Alaudeen (2012) stated that the consumers evaluate factors such as; surroundings, customer turnover, location, price, quality of food, quality of service, and type of food in choosing a restaurant. Kafel and Sikora, (2013) found seven factors that cause consumers to choose a restaurant, namely; food quality in the top rank, followed by cleanliness, service, value, menu variety, convenience, and lastly atmosphere. Huang (2007) stated that the consumers evaluate factors such as price, variety of food, parking lot, reservation, and special request in choosing a restaurant. Kim and Moon, (2009) found that the factors that influence consumer to choose a restaurant are; prices of meal, past experience with similar types of restaurants, reputation of restaurant among people that respondent know, convenience of location, whether any memorable advertisement seen, appearance of other customers, whether employee appropriately dressed, manner of employees, and premise. Martin and Frumkin (2005) found that consumer’s reasons for choosing a particular full-service restaurant are; because of they like to be at that restaurant, convenience location, quality of food, good variety of food and price factor. Sulek and Hensley (2004) noted that the factors influencing consumers in choosing full-service restaurants are; food quality, atmosphere, quality of the service and interpersonal skills of the restaurant employee. According to studies by Yüksel and Yüksel (2002) and Andaleeb and Conway (2006) there are five factors that cause consumers to choose a restaurant, namely; quality of service; food quality; ambience; recommendations and the frequency of the customer. Ungku Fatimah, Boo, Sambasivan and Salleh (2011) also found that customers selected restaurants based on service, quality of food and ambience.

Statement of purpose

Despite the increasing popularity of eating out (Andaleeb & Conway, 2006) formal full service restaurants in South Africa have shown a negative growth rate, with statistics showing a decline of 5.3% in total income in 2012 compared to 2011, as customers opt to eat in fast food restaurants (Datamonitor, 2013). Researchers (Soriano, 2002; Ehsan, 2012; Yuncu, Oktay and Yalcin (2013) identify restaurateurs’ inability to determine the major attributes that influence customers’ restaurant choices as one of the main reasons for formal full service restaurant failure. Therefore, this study determine the factors affecting consumer selection criteria in formal full service restaurants in South Africa using Port Elizabeth as a case point. The results of the study could increase the level of customer satisfaction and conceptualise restaurant customers’ decisions to select Port Elizabeth restaurants (Kleynhans & Roberson, 2015). Port Elizabeth is considered as the gateway to the Garden Route and a well-known tourist destination in the Eastern Cape Province.

Research methodology

Study design

In accordance with the objectives of this study, survey design was used. The survey was administered to customers in formal full-service restaurants. A formal full-service restaurant refers to an up market restaurant that offers table service with complete, varied menus and multiple entrees for each meal period which may include soups, salads and/or desserts (Statistics South Africa, 2014). Most formal full-service restaurants provide customer seating with gastronomy, sophisticated service, elegant ambience and liquor service (Mhlanga et al., 2014). Usually, these restaurants will not permit casual wear (Feinstein & Stefanelli, 2008). A list of local registered formal full-service restaurants was obtained from the Nelson Mandela metropolitan municipality and also from the Restaurant Directory of South Africa. Only 10
formal full-service restaurants complied with the criteria, of which two were used for the pilot study. The remaining eight restaurants were included in the main study. These restaurants complied with the criteria set by SSA (2014) for classification as a formal full-service restaurant.

**Instrumentation and sampling procedure**

A questionnaire was developed bearing in mind the research objectives of the study. The questionnaire consisted mainly of closed-ended questions and three open-ended questions. Closed-ended questions were used mainly because data obtained from the administration of closed questions are easier to analyse since they guarantee uniform responses whilst open-ended questions were included to allow respondents to give their views and opinions about the dining experience (Creswell, Ebersohn, Eloff, Ferreira, Ivankova, Jansen, Nieuwenhuis, Pietersen, Clark & Van der Westhuizen, 2007).

Since the DINESERV model only measures service quality it was deemed unsuitable for this study. A self-administered questionnaire was customised to address the objectives and setting of the study. To be able to identify factors affecting consumer selection in restaurants, the following factors based on the literature review were employed in the questionnaire, namely: Convenience, To relax, Been here before, Celebration, Business need, Social occasion, Quality food, Good service, Good ambience, Quite/Peaceful, Recommendations and other factors. Several authors (Akbar & Alaudeen, 2012; Wang & Chen, 2012; Kivela et al., 1999) find these factors to be a useful tool in assessing factors affecting consumer selection criteria in restaurants.

The questionnaire items were phrased in English, not only because the majority of restaurant customers were expected to be quite conversant in English, but also because it is one of the main languages spoken in Port Elizabeth, South Africa apart from IsiXhosa and Afrikaans. Therefore, all respondents were able to respond in English. Cooper and Schindler (2014) point out that a questionnaire should be phrased in the language that the respondents will easily understand and should be precise to maintain interest and to ensure reliability of the responses.

The research sample included in the study entailed relevant data that were collected from 400 customers of the eight selected formal full-service restaurants in Port Elizabeth. A sample of 400 was adequate (Leedy & Ormrod, 2013), since the total population of formal full-service restaurant customers in Port Elizabeth exceeds 5 000 customers. A descriptive quantitative study design (McMillan & Schumacher, 2010) was followed. Probability sampling was used since it is based on the principles of randomness and the probability theory, to accurately generalise to the population (Creswell & Plano Clark, 2011). In order to guarantee equal representation of each of the restaurants, proportional stratified random sampling was used to find the sample size for a particular restaurant taking into account the restaurant’s seating capacity (Cooper & Schindler, 2014). A proportional sample of 22.5% of the total seating capacity per restaurant enabled the researcher to obtain at least 400 completed questionnaires.

Systematic sampling, which is a probability sampling method, was then used to select respondents by systematically moving through the sample frame and selecting every kth element. This method is useful in situations where the population members arrive at a certain location over time (Leedy & Ormrod, 2013). As such, respondents were selected by systematically targeting every fourth customer who walked into the restaurant until the sample size for a particular restaurant was reached.
A decision to target every fourth customer was made based in order to be discreet and avoid annoying other customers who were not participating in the survey, as advised by Kivela et al. (1999). The restaurant manager from each participating restaurant was approached for permission to conduct the study. Data were collected in November and December 2014 during weekdays, weekends and across these two months during lunch and dinner as recommended by various researchers (Akinyele, 2010; Sulek & Hensley, 2004). This is done to maximise chances of eliciting information from customers of different lifestyles, occupation, income, age and gender (Kivela et al., 1999).

**Data collection and analysis**

The following procedures were used for collect data. The researchers systematically approached every fourth customer who walked into the restaurant after they were seated in the restaurant or as they were scanning/perusing the menu. The researchers explained the aim of the study to the customers and asked them to participate. It was emphasised that the researcher would treat the information provided as confidential and anonymous.

Customers who were willing to participate in the study received a questionnaire. Completed questionnaires were collected, checked and discussed with the respondents in case of any queries. The names of the eight participating restaurants are not exposed for ethical/confidentiality reasons and are referred to as Restaurants A, B, C, D, E, F, G and H. The composition of the questionnaires were; Restaurant A (45); Restaurant B (68); Restaurant C (54); Restaurant D (45); Restaurant E (63); Restaurant F (41), Restaurant G (41) and Restaurant H (43). Worth mentioning is the fact that some restaurants (n=2) did not give permission for the study and some respondents (n=18) were unwilling to complete the questionnaire. The data was captured and analysed using the Statistical Package for Social Sciences (SPSS), which is a statistical analysis software programme capable of generating descriptive and inferential statistics.

**A description of the participating restaurants**

In terms of location, Restaurant A is located close to the city centre and the airport and two kilometres from pristine, Blue Flag beaches. Restaurant A has a seating capacity of 220. The restaurant is within close proximity to top attractions, such as Nelson Mandela Bay Stadium, Schotia Safaris Private Game Reserve, Green Acres Shopping Centre and Boardwalk Casino and Entertainment Complex (the centre of Port Elizabeth).

Restaurant B is located in Summerstrand on the main Port Elizabeth Beachfront with views of the Port Elizabeth beachfront and Algoa Bay. The restaurant has a seating capacity of 180. Customers are able to have their beverages on the restaurant deck before either moving inside for their meal or being served in situ. Restaurant C is located in the opposite outskirts of Green Acres. The restaurant mainly specialises in seafood especially fresh fish, which it buys directly from the boats. Situated in close proximity to the prestigious Paxton Hotel above Humewood road is Restaurant D. It has a seating capacity of 280. Most of the clientele are corporate dinners and celebrations. The restaurant mainly serves succulent steaks, venison, fresh line fish, prawns, crayfish and delectable desserts. Presenting the most stylish, elegant and trendy venues in Port Elizabeth, the restaurant boast the best in music, cuisine and unique cocktails. Customers can view bartenders or relax outside on the deck area which has a panoramic view of the beach front.
Restaurant E is located just a kilometre away from Port Elizabeth airport and 500m from the main Port Elizabeth beaches. It has a seating capacity of 200. It is an old colonial style restaurant with a timber ceiling, flooring and architrave soberly decorated with an Indian touch and earthy colours. The restaurant is equipped with a gas fire place where guests can experience gourmet South African dishes with international flare, complimented with local, international and rare wines.

Restaurant F is nestled on the shores of Nelson Mandela Bay, between the warm Indian Ocean and the Humewood Links Golf Course. The restaurant has a seating capacity of 300. It is decorated with Asian artefacts such as sand blasted glass screens between tables, intricately carved wooden panels and authentic Chinese embroidered lanterns filling the large interior. The traditional Taiwanese dishes sit alongside more conventional dishes for Western tastes. Highlights include the calamari in three different sauces with sweet ginger and garlic.

Situated in the suburban side of Central Port Elizabeth, Restaurant G is an Indian restaurant with a seating capacity of 200. The walls are a deep shade of blue and are complimented with gold drapes and check tablecloths in shades of blue, gold and green. The restaurant bar offers customers a pre-dinner drink, and in addition to the standard wine list the restaurant offers one or two wines displayed in baskets. Whilst curries are the mainstay of the menu, there is a selection of seafood as well as several meat dishes, for those who find hot spicy food too overwhelming for the taste buds. For non curry eaters there is a selection of cool crisp salads and Sole Bon Femme - topped with prawns and asparagus.

Right in the centre of Richmond Hill on the corner of Stanley and Bain streets, is Restaurant H with a seating capacity of 240. The restaurant is located in the heart of Port Elizabeth’s Richmond Hill which is home to some of Port Elizabeth’s top restaurants. The restaurant is restored with Edwardian and Victorian buildings. In spite of different hours of operation, the menus of the participating restaurants offer breakfast, lunch, dinner and a variety of snacks and beverages (alcoholic and non alcoholic). Prices of food and beverages vary among these restaurants depending, amongst others, on the cost of production, the characteristics of the target clientele and what other restaurants are charging for the same type of food. However, prices of food and beverages at Restaurant G are higher compared to the other seven restaurants. Customers pay either by cash, credit or debit cards at all eight restaurants. The customers that patronise the eight restaurants are not only from different ethnic groups as explained below, but also from different walks of life; manifested from the way they behave, dress, talk, purchase and make payments.

In all eight restaurants, turn-up or patronage of customers was higher over week-ends and month-ends compared to weekdays and mid-months. The majority of customers may be exempted from work over week-ends and are likely to have more disposable financial means over month-ends. The minimum and maximum period of stay observed was 39 minutes and 2 hours 21 minutes respectively. The period of stay in the restaurant may depend on the amount of money and time customers have available, as well as the intended activities they anticipate to perform after the dining experience.

Results and discussion

In this study, customers were requested to indicate the main reasons for selecting to dine at a particular restaurant. The results obtained are presented in Table 1 and discussed.
Table 1: Factors affecting consumer selection of restaurants

| Reasons                | Restaurants                  | A | % | B | % | C | % | D | % | E | % | F | % | G | % | H | % | Total |
|------------------------|------------------------------|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|-------|
| Convenience            |                              | 2 | 4 | 3 | 4 | 3 | 5 | 1 | 2 | 0 | 0 | 0 | 1 | 2 | 1 | 2 | 11 | 2.75 |
| To relax               |                              | 0 | 0 | 2 | 3 | 1 | 2 | 0 | 0 | 3 | 5 | 1 | 2 | 1 | 2 | 0 | 0 | 8   | 2.00 |
| Been here before      |                              | 3 | 7 | 1 | 2 | 4 | 7 | 2 | 4 | 7 | 11| 5 | 12| 2 | 5 | 4 | 9  | 28  | 7.00 |
| Celebration            |                              | 3 | 7 | 5 | 7 | 0 | 0 | 3 | 7 | 2 | 3 | 1 | 2 | 3 | 7 | 4 | 9  | 21  | 5.25 |
| Business need         |                              | 2 | 4 | 1 | 2 | 2 | 4 | 3 | 7 | 3 | 5 | 1 | 2 | 5 | 13| 1 | 2  | 18  | 4.50 |
| Social occasion        |                              | 6 | 14| 3 | 4 | 2 | 4 | 5 | 11| 3 | 5 | 4 | 11| 1 | 2 | 4 | 9  | 28  | 7.00 |
| Quality food          |                              | 8 | 18| 16| 24| 15| 28| 11| 25| 8 | 12| 6 | 15| 9 | 22| 5 | 12 | 78  |19.5 |
| Good service          |                              | 11| 24| 20| 29| 13| 24| 9 | 20| 11| 17| 7 | 17| 7 | 18| 7 | 17 | 85  |21.2 |
| Good ambience         |                              | 7 | 16| 13| 19| 8 | 14| 5 | 11| 9 | 14| 11| 27| 6 | 15| 5 | 12 | 64  |16.0 |
| Quite/Peaceful        |                              | 1 | 2 | 1 | 2 | 2 | 4 | 4 | 2 | 1 | 2 | 2 | 5 | 0 | 0 | 8 | 19 | 17   |4.25 |
| Recommendations        |                              | 2 | 4 | 3 | 4 | 2 | 4 | 3 | 7 | 15| 24| 3 | 7 | 5 | 12| 4 | 9  | 37  | 9.25 |
| Others                |                              | 0 | 0 | 0 | 0 | 2 | 4 | 1 | 2 | 1 | 2 | 0 | 0 | 1 | 2 | 0 | 0  | 5    |1.25 |
| Total                 |                              | 45| 100|68|100|54|100|45|100|63|100|41|100|41|100|43|100|400 |100   |

Table 1 further depicts that the reasons for selecting a particular restaurant differed between restaurants. For instance, 24% of the respondents selected Restaurant A and 29% selected Restaurant B because of good service. Conversely, 28% selected Restaurant C, 25% selected Restaurant D and 22% selected Restaurant G because of the quality of food whilst 24% selected Restaurant E because of recommendations by others. A total of 27% respondents selected Restaurant F because of good ambience whilst 19% selected Restaurant H because of the restaurant being quiet.

The peace/quietness of restaurant H might be attributed to its proximity to the police station where security is not a major concern. However, it is interesting to note from Table 1 that there was no respondent who patronised Restaurant G because of quietness which might also be attributed to its proximity to the rail road which poses a concern/threat to the security of diners especially at night. The results vindicate the findings by Akbar and Alaudeen (2012) who claim that customers select quietness when deciding to select a restaurant. Consequently, peace/quietness is very important when customers select a restaurant (Yüksel & Yüksel, 2002).
Table 1 further depicts that 21.25% of the respondents patronised restaurants because of good service whilst 19.5% patronised restaurants because of the quality of food and 16% because of the ambience; 2% of the respondents patronised restaurants to relax and 1.25% because of other reasons such as invitations, winning vouchers and so forth. This is the ranking for the five factors affecting consumer selection criteria in formal full service restaurants; good service (21.25%); food quality (19.5%); ambience (16%); recommendations (9.25%); social occasion and been here before/frequency (7%). The results vindicate the findings by Ungku Fatimah et al. (2011) who noted that customers patronise restaurants because of good service, quality of food and ambience.

The results are also in line with previous researchers (Yüksel & Yüksel, 2002; Andaleeb & Conway, 2006; Wu & Liang, 2009) that found that service quality had a significant impact on restaurant customer selection behaviour. However, a study performed by Sulek and Hensley (2004) found that food quality ranked highest amongst the factors that had an impact on restaurant customer selection behaviour whilst Andaleeb and Conway (2006) found that food quality ranked third highest. From a theoretical perspective, the conclusion of these contributions is that previous work by Yüksel and Yüksel (2002) and Andaleeb and Conway (2006), among others, has been reinforced and substantiated. The implication of the results is that, in a formal full service restaurant good service influences customers patronisation to a restaurant (Sulek & Hensley, 2004). Even though the food at a formal full service restaurant may not be as tasty as in other famous restaurants, if the service is excellent the customer will recognise the restaurant and tend frequent that restaurant (Cheng, 2006). Consequently, should any other dining attribute (for example; food quality and ambience) not meet the expectations of the customer, good service can compensate for that lack (Oh, 2000; Sriwongrat, 2008).

Conclusion

Given the increasingly competitive and turbulent nature of the current restaurant environment in South Africa, this issue is a primary one for restaurant success and survival. In formal full service restaurants customers expect far beyond food unlike other categories of restaurants where food is valued most. Although good food is an essential component of a satisfying meal, the level of service plays a pivotal role in formal full service restaurants. In this context, results may broaden the knowledge of formal full service restaurant service quality and are suitable for international comparison. In particular, the study itself is considered useful for South African academics and practitioners, as it is the first that presents factors affecting restaurant selection in formal full service restaurants in Port Elizabeth. Improving service quality in Port Elizabeth formal full service restaurants will in turn, not only increase restaurant selection but also strengthen customer loyalty and generate greater revenues for the enterprises in question. Therefore, it is critical that managers understand customer preferences so that they can integrate these demands into their product and service attributes to gain a competitive edge and remain sustainable.

References


