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Positioning of Restaurants in Gwalior: Multidimensional Scale (MDS) Approach

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ABSTRACT

This paper has investigated the positioning of different restaurants in Gwalior. The main focus of this study was to understand different attributes works in the minds of customers for making a decision on restaurants. Sampling method adopted for the study was nonprobability judgemental sampling. In total 100 samples were collected by research team. Respondents were visitors of restaurants at least once in a month. A tailored questionnaire was developed for data collection.

It tends that data collected was normally distributed in the population. Then demographics of respondents were analysed through cross-tabulations. As the title of this paper suggests multidimensional scaling was applied in prime focus and analysis has identified four dimensions, named as – services quality, the taste of food, price sensitivity, and ambience and amenities.

Keywords: Restaurants, Positioning, MDS, Gwalior, India.

INTRODUCTION

In today's competitive marketplace, visitors of restaurant have a surfeit for making a decision about the choice of restaurant. To survive in this environment, managers of restaurant need to practice a strong customer-focussed orientation and satisfy customers' needs more efficiently. Many researches have considered the relation between the overall performance of restaurant and customers' satisfaction. Satisfying customers is

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one of chief goal of restaurant managers, and there is no single formula to achieve this. A study by Sulek & Hensley (2004) cited in Harrington, Ottenbacher, & Way, (2013), indicated that customer satisfaction in the restaurant industry is of critical importance, It is evidenced that 90% of unsatisfied customers are never returning to the restaurant establishment. Customer satisfaction has also been shown to determine the permanency and success (regarding financial aspects) of a restaurant (Ottenbacher, & Way, 2013).

Therefore, managers of restaurant need to know the reasons why customers choose a certain restaurant. This need applies to all segments of the industry as restaurant choice criteria has been shown to vary by restaurant type (Njite, Dunn, & Kim, 2008), trends (Parsa, Self, Njite, & King, 2005), demographics, and other characteristics. Therefore, this study investigates the dimensions which contribute for a variety of factors (in the form of dimensions).

LITERATURE REVIEW

Recently, several research studies have been directed toward evaluating restaurant attributes and consumer satisfaction. Muller (1999) suggested indicated restaurant organizations are consumer-driven brands that have systems to support knowledge-based managers. In the highly competitive and saturated restaurant industry, understanding targeted consumer needs and wants is critical for successful management. Not surprisingly, good food has consistently been shown as a primary criterion for choosing a restaurant (Sulek and Hensley, 2004). However, good service and a pleasant setting are also important attributes in a full-service restaurant (Susskind and Chan, 2000). While food quality is commonly depicted as the most important factor influencing repeat purchase intentions in full-service restaurants, waiting time has been shown as a critical attribute in quick service restaurants (Davies & Vollmann, 1990). In general, the key factors determining restaurant customers' repeat visits include food quality, appropriate cost amd attentive service (Gupta, McLaughlin, & Gomez, 2007) with taste and presentation as important aspects of consumer satisfaction (Namkung & Jang, 2007).

Restaurant customers are more and more aware of and concerned about the safety of the food they consume. The cleanliness of the operation in general and in QSRs in particular (i.e. McDonald's) has been an important indicator of overall quality by the consumer (Knutson, 2000). Food appeal relates to aspects such as taste, presentation, temperature and size of the food portion. Dietary characteristics are becoming progressively more important for restaurants because consumers are more worried about healthy food that is low in calories, fat or carbohydrates, as well as vegetarian and vegan meals (Siguaw & Enz, 1999). Dietary characteristics are particularly important given about 30% of adults will acquire an allergy in their lifetime to food such as peanuts, milk or shellfish, and it is suggested that this number is increasing (Towers & Pratten, 2003).

Consumers' perception of how the service employee cares for them also affects customer satisfaction (Smith, Bolton, & Wagner, 1999). Knutson's (1988) study indicated that the underlying factors that drive customer satisfaction in restaurants are employee

greeting, restaurant atmosphere, the speed of service and convenience.

Based on previous research, greater insight into restaurant customers' usage patterns and benefit rankings should enable restaurant organizations to develop better resource allocations, marketing strategies and management plans to capture and retain a larger share of the defined target market for their fine-dining restaurant concepts. Consequently, restaurant managers can focus more strategically on their target markets within their operations and Marketing activities. Therefore, the purpose of this study is to determine which attributes impact and influence a customer's choice when considering quick service restaurants.

Table 1: Supported Variables for the Study by Eminent Researchers

Cleanliness	Atmosphere of the restaurant
Food is safe	Food authenticity
Reputation of the restaurant	Price
Perceived value of the experience	Ratings in food guides
Dining privacy	Magazine or newspaper advertisements
	Recent reviews in the papers or magazines
Flexibility for dietary needs	Convenience of parking
Friendliness of staff	Quality of Service
Interior design of the restaurant	Perceived value of food and drink
Innovative menu items	Noise level allows for good conversation
Quality of food	Speed of service

Source: Harrington, Ottenbacher, and Way, 2011.

RESEARCH METHODOLOGY

The research was conducted in Gwalior, a city in the Madhya Pradesh, India.

For a good relevance of results of this study research team has collected the data with the help of a tailored and well-structured questionnaire.

This study sets forth two main objectives:

Objective 1: *To understand the positioning of different restaurants in Gwalior.*

Objective 2: *To identify the relative positions of the restaurants and their service attributes.*

Sampling method was nonprobability sampling. Out of different techniques of nonprobability, judgemental sampling method was adopted for this piece of research. Judgemental sampling does not have any particular formula; it is a sampling method which does not give sample unit an equal likelihood of being included in the sample (Thistlethwaite & Campbell (1960) cited by Saint-Gerain (2011)). Higher income group residents of Gwalior city was considered as population for this study. No sampling frame can be adopted for the survey because there is no list available for the visitors of restaurants.

Respondents were frequent visitors of restaurants, minimum once in a month. In total 100 samples was collected by the research team. The data was collected from in and around Gwalior. A well-structured questionnaire was developed. The questionnaire was divided in two parts; one is about dimensions of restaurants and the second part was about the demographic background of respondents. Most of the places, for data collection, was visited by research team or minimum one member of the research team was present at the time of data collection.

Data collected for the study was usually distributed for data analysis. As both type (metric and non-metric) of data can be used for MDS analysis that is why this assumption was not checked. There is no variable directly involved in the study and not asked in the questionnaire. Therefore, reliability was also not tested. As the title of this paper suggests, *Multi-Dimensional Scaling* (MDS) was applied as a primary tool.

DATA ANALYSIS

The research team has done maximum analysis with IBM's SPSS Statistics 21.0 (statistical procedure software) and Microsoft's Excel 2013 (office package software).

Profiling Sample: Data analysis has been started with sample profile, presented in Table 2. The table can observe that the study had the good participation of respondents, which reflects the validity of the research.

Table 2: Profile of Respondents

		Income Group			
		<20K	**20-K-50K**	**>50K**	**Total**
Gender	Male	10	23	18	51
	Female	12	14	18	44
	Total	22	37	36	95

It is observed that the survey has got the sample of 100, out of that only 95 were used for analysis. Ten male members have income less than twenty thousand, 23 male members have income 20-30 thousand and 18 were with more than 50 thousand. Females are not behind and the study has got 12 females with less than twenty thousand, 14 females were have 20-50 thousand and 18 were with the income group of more than 50 thousand.

Multidimensional Scaling: Multi-dimensional scaling has been used as a technique for finding out the positioning of various restaurants taken up for this study. After collecting data, it has been given as an input to SPSS to bring out the perceptual map. The output was the Euclidean map; wherein shopper perceptions have been visually represented. The steps used for this procedure were adapted from the book by Malhotra and Dash on Marketing Research. The Euclidean map output has been carefully observed, analyzed and interpreted.
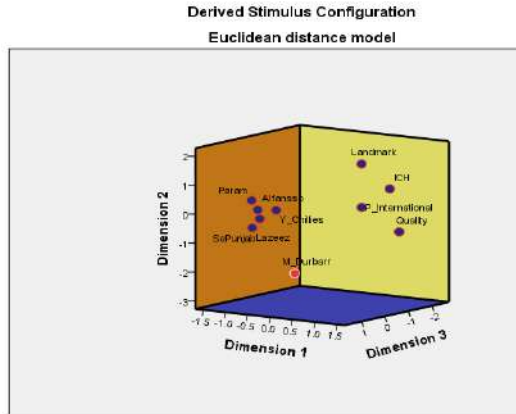
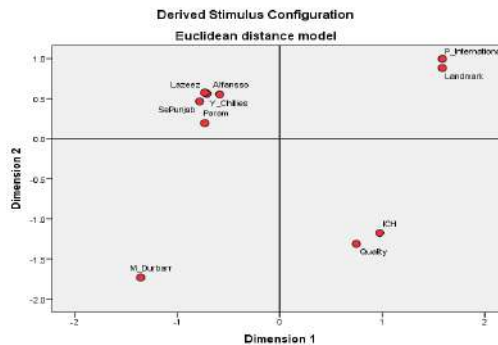**Figure 1: 3-D Plot of Dimensions of Different Restaurants**

Figure 2: 2-D Plot of Dimensions of Different Restaurants

Validation of the Outcome through Stress Value and R-square Value: Stress Value (Badness of fit) Stress value obtained: 0.03171, Stress value needed is less than 0.05 is excellent (Malhotra & Dash 2011). Squared Correlation Coefficient (Goodness of Fit) R-square (resulted as RSQ) obtained 0.98946; R-square needed is 0.6 or more (Malhotra & Dash, 2011) The spatial map has been interpreted by examining the coordinates and relative positions of the restaurants.

Quadrant-specific analysis

Q1 (Higher and Higher): Two restaurants fall in this category Landmark and Prabha International. There may be two reasons for these results, one; they are hotel aided restaurants, separate parking facility, various ambiances, good aesthetics and more specifically dining with drinks.

Q2 (Higher and lower): Five restaurants clubbed together in this category. Named as, Lazeez, Alfansso, Yellow Chillies, Params' and Sere-e-Punjab. Few reasons can be

a taste of food, varied cuisines, high priced (values for money), less parking facility, and centrally located.

Q3 (Lower and higher): Two restaurants were identified together here, named as, Kwality and Indian Coffee House. Reasons may be both, veg and non-veg cuisine, shared parking facility, situated in the more crowded area, and low price food.

Q4 (Lower and lower): Only one restaurant got here, named as Mughal Durbarr. The reason is that of purely non-veg cuisine, good service, many gastronomes like – Mughal, Indian, Italian, South Indian and few others also.

CONCLUSIONS

The primary focus of this study was to understand different attributes works in the minds of customers for making a decision on restaurants. This paper, through data analysis, has identified four dimensions, named as – services quality, the taste of food, price sensitivity, and ambience and amenities. Service quality is always found valuable in the discussion of the importance-performance analysis of restaurants, and it is verified here also.

It is not a surprise to know that the respondents have taken, taste as a separate dimension and price sensitivity follows it. Many researchers have concluded that price is important and significantly contributing aspects for the success criteria of restaurants.

Respondents have also found an important dimension related to the success of restaurants, and it is ambience and amenities. This finding also supported by the many prominent researchers of the hospitality aspects.

LIMITATIONS AND FURTHER DIRECTIONS

Imperative limitation for this study is that only a few restaurants were included, there can be some more restaurants so that some other dimensions could be identified. The same can be done with opposite approach (deciding attributes first), for validation of the results.

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