

Challenges in Restaurant Industry: A Literature Review

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Abstract: Due to increased urbanization and modernity, India's restaurant business has flourished in the last decade. This study aims to identify the key challenges present in the restaurant industry in India. Thematic literature review was carried out for the study. A comprehensive search in specialized database sources like EBSCOhost, Web of Science and Google Scholar were performed. After analyzing the articles and reviewing the restaurant industry literature, constructs such as consumer perception and satisfaction towards restaurant, brand equity in restaurants, importance of nutritional value of food, organic food and healthy meals in restaurants, restaurant responsiveness towards marketing strategies, technology in restaurants, and food safety in restaurant industry are identified. This research takes a significant attempt by doing a review analysis to analyze the varied activities and challenges of restaurants industry.

Keywords: Restaurant industry, literature review, food industry

I. INTRODUCTION

The Indian restaurant business is projected to be worth Rs 4.2 lakh crore, with organized eateries accounting for 35% of the total. The Indian restaurant industry has a lucrative future with the rise of weekend culture in metros, an increase in the standard of living of service class people, the advent of mall and retail culture. Customers typically weigh different factors before they make a restaurant decision. These factors can be understood as quality, taste, cleanliness, venue, price, mode of payment, loyalty, free gifts, food choice, brand name etc. (Latha, 2014). Fast food has invaded every nook and cranny of our culture over the last few decades. As Indian economy is growing and a large number of women are entering the workforce, the trend in fast food consumption would raise more and more if the consumer is provided good quality food and service.

II. METHODOLOGY

The goal of the review is to identify gaps in current knowledge and support the development of a guideline to restaurant industry. We conducted a comprehensive search of the following specialized database sources. EBSCOhost and Web of Science. In addition, Google Scholar searches were carried out. After analyzing the articles and reviewing the restaurant industry literature, constructs such as consumer perception and satisfaction towards restaurant, brand equity in restaurants, importance of nutritional value of food, organic food and healthy meals in restaurants, restaurant responsiveness towards marketing strategies, technology in restaurants, and food safety in restaurant industry are identified. The integrative technique is utilized to shape the literature analysis. Employing the "snowball" strategy of using the most significant advances to identify similar publications mentioned in them, more papers were found. Because research paper keywords aren't based on a set of rules, some of the literature is likely to have been missed.

III. REVIEW DISCUSSIONS:

3.1 Consumer perception and satisfaction towards restaurant:

The study conducted by (Bhagat, 2016) revealed that taste, size, variety and employee services in the Delhi NCR fast food industry are key factors for satisfaction. This empirically confirms the relationship between conceptual framework-based latent variables: connecting consumer interest co-creation activity to its precedent and implications i.e. customer satisfaction and customer conative loyalty (Kim, 2016). The Indian fast food market is growing at a rate of 30-35 per cent per year. Some of the popular food chains have gigantic future expansion plans. Domino's plan to open 60-65 outlets each year for the next three years, while Yum Brands Inc is also geared up for its massive nationwide expansion plans. It is planning to open 1000 fast food outlets by 2015. (Dani and Pabalkar, 2019). Knowledge on the measurement of fast food restaurant quality of service is required. Quality of service is an abstract and elusive concept. (Sumaedi and Yarmen, 2015). Green behaviour attitude has a significant impact on the overall image of the hotels and restaurants. Overall appearance has a major impact on desire to revisit, positive word of mouth and willingness to pay more for environmentally friendly hotels and restaurants. The management of hotels and restaurants may consider this finding by adopting environmentally friendly practices to improve the quality of service (Lita *et al.*, 2014). Results showed considerable influence on customer satisfaction by dimensions of customer experience. Consumer satisfaction affects both brand loyalty and word-of-mouth, and the indirect impact of consumer satisfaction through brand loyalty on word-of-mouth is very high. Overall, this study extends the applicability of the quality scale of customer experience in hotel operations which makes marketers think about the various touch points during customer interaction with the hotel brand (Khan, Garg and Rahman, 2015). Another study finding indicated that restaurant operators should improve their quality of service, especially in terms of their responsiveness to enhance the satisfaction of the customers. Furthermore, gender plays a significant role in the relationship between quality of service and customer satisfaction. (Omar, Ariffin and Ahmad, 2016). Such results have provided valuable indicators not only for established restaurant owners, but also for those individuals or businesses that wish to join the food service industry (Din *et al.*, 2012). It was discovered from the data review that the overall service level experienced by the customers was only adequate and that consumer standards were higher than what was experienced (Dani, 2014). In any company or organization customer satisfaction is the most important factor (Ghafoor, 2014). In the exception of fast food restaurants, the effect of services

cape on customer satisfaction and loyalty has been fairly small (Voon, 2012). It was found that in each representation of customer behaviour, atmospheric elements contributed significantly (Ariffin, Bibon and Abdullah, 2012). (Josiam and Henry, 2014) research provides insight and understanding for the restaurant industry as to what attracts patrons to entertain experiment establishments and what motivations influence their decisions.

3.2 Brand equity in restaurants:

Brand equity holds the main element of distinguishing between rivals and this has been considered valuable assets. In assessing customer-based brand equity scores, research study employed four dimensions of customer-based brand equity; brand loyalty, perceived efficiency, brand recognition and brand affiliation (Majid *et al.*, 2016). Study result indicated there was a significant relationship between identity of the hotel brand and quality of the food (Ismail *et al.*, 2016). One of the tactics is to concentrate on developing their brand to give restaurants added value. Brand equity holds the main element of distinguishing between rivals and this has been considered valuable assets (Majid *et al.*, 2016).

3.3 Importance of nutritional value of food, organic food and healthy meals in restaurants

The study lead by (Newson *et al.*, 2015) found diners increasingly unsatisfied with current healthy choices and established strong obstacles and causes for healthier meals. Nutritionists, chefs and managers working in restaurants and other out-of-home food services will use these ideas to make safer and more attractive food. Results from study suggested that opportunities exist to reduce the restaurant products' energy content. There is a need for ongoing cooperation between food handlers and public health practitioners to ensure that healthy low-calorie menu products are more readily available in restaurants and that work is oriented towards successful ways of creating and promoting those products (Lessa *et al.*, 2017). Research showed that consumers in the full service restaurant menus valued nutritional knowledge in a positive way. Nevertheless, the degree of the ability and challenges of the restaurateurs to include the nutritional details in the restaurant menu was not widely explored. Given study empirically investigates the responsiveness of Malaysian full-service restaurateurs to providing nutritional information in the menu. Another result showed disparity between the serious customer concerns with the responsiveness of the operators especially on certain issues (Din *et al.*, 2012). The result of the study indicated that the participants were aware and also had good knowledge related to nutrition information. Among the participants, more males compare to females preferred to dine at restaurants which provides (or will provide) nutritional information on their menu cards. Thus, few respondents displayed a positive attitude (i.e. displayed interest and would consider buying healthy food). Though most respondents displayed a negative attitude by not selecting nutritional details (Taraporewala, 2019). Nutritional considerations can then also be considered by chefs when creating dishes and menus. (Liu, Corkery and Wiesel, 2016). In 2017, pizza restaurants introduced lower-calorie pizza options but no other significant calorie changes were observed. Going forward, monitoring calorie changes in convenience stores and pizza restaurant chains will be critical, as both food establishments represent major calorie sources for Americans (Tran, Moran and Bleich, 2019).

3.4 Restaurant responsiveness towards marketing strategies

The results of the field work carried out for the study applied to the process of internationalization of the hotel industry in Morelia; as well as the marketing strategies that the hotel industry must apply in order to obtain the so-called internationalization have to be shown (Rendón, Martínez and Flores, 2014). Agile and reconfigurable production systems have emerged to cope with different products and family of products to design and execute (Tanizaki *et al.*, 2020). The practical use of visual merchandising in the restaurant industry as well as neuro marketing in the recommendations that would like to use in the future under real conditions (Kleinová *et al.*, 2015). The study found that in their foreign marketing mix, the McDonald's introduced various kinds of its 4P based on both localization and globalization approaches (Yeu *et al.*, 2012). In addition, a gradual globalization has pushed businesses to operate in countries with environments different from the country of origin of the businesses (Díaz-Puche *et al.*, 2020). Business people need to make a strong differentiation for their company in order to stay in the intense rivalry in the culinary industry (Puspita, 2015).

3.5 Introduction of technology in restaurants

The rate of use for energy usage and a daily energy schedule is increased restaurant industry (Xie *et al.*, 2017). The project conducted by (Thorat *et al.*, 2019). covers the implementation of ordering system for restaurants by exploitation Google assistant. The menus are going to be displayed on the screen. There's no demand of human to require the order. Staff and customers were able to order the food from menu exploitation the Google assistant by giving voice. Another study provided ways to improve its operating efficiency and address the issue of weak operations in service. The alternatives offered include (1) Quality Function Design, which helped to decide what would please customers and where to position the quality effort, (2) Total Quality Management (TQM), (3) Process Focus, using service design to improve customer-restaurant engagement, (4) layout, (5) human resource management, (6) good supply chain management practice. This paper aimed to include important details (Kanyan, Ngana and Ho, 2016). Findings of (Vi *et al.*, 2020) demonstrated, how different conditions of lighting and scent influence the perceived strength of taste, pleasancy and satisfaction. In a series of evolving design spaces inside Human-Food Interaction researchers explored how LeviSense produces a new technological, artistic, and expressive possibilities The results (Tüzünkan and Albayrak, 2015) indicated that the application of molecular cuisine contributes significantly to the growth of Turkish tourism companies, and is also accepted by the clients The quest for innovation in cuisine is not undertaken in every culture: during the 17th century, this one gets a history that starts in France. This work has helped cooking grow widely in the West, and has changed the role of chefs. During the 1970s the Nouvelle Cuisine modified the deal to contribute to today's globalized cuisine (Science, 2012). In the case under review, three functions of a discourse which lead to the diffusion and institutionalization of innovations are identified: conceptualization, socialization, and power. The research pointed out to the possible contribution of dialogue as a force along innovative paths in other industries (Pilar Opazo, 2012). The restaurant service industry has low productivity due to the simultaneity of consumer goods. In order to solve these issues, researchers studied how to handle restaurant stores such as

employee placement, food material ordering, etc., based on highly accurate demand forecasting through machine learning with internal data such as POS data placement, food content ordering, etc. In today's market climate, the trend exist towards more product variety (Tanizaki *et al.*, 2020).

3.6 Food safety in restaurant industry

Research conducted by (Ghatak and Chatterjee, 2018) provides data needed to strengthen policies / regulations and safety standards that will maintain the quality of Chinese street foods that have a more fruitful effect on Chinatown's gastro tourism nurture. (Oldroyd, Morris and Birkin, 2020) recommended priority inspections for the outlets in urban and deprived areas in the light of reliable foodborne disease data. Takeaways, sandwich shops and small convenience retailers are particularly important. To sum up, college students were very worried about certain food safety concerns, and had insufficient awareness and poor food safety practices. More successful food safety measures among nurses, educators and medical students should be performed (Luo *et al.*, 2019). (Vainio *et al.*, 2020) findings underlined the importance of providing customers with appropriate information on the type of danger to food safety Information from the inspectors in the local food control units did not justify the inconsistencies. Results indicate that Canadians are largely pleased with the food safety program and trust the organizations involved, but have reservations about the public reporting of food risks and a lack of accountability at large (Sutherland *et al.*, 2020). The paper also examines the dynamics of food insecurity by income-decile groups and specific household identities, such as within the households' caste, religion, and gender, suggesting that forward castes and religion of Islam found a higher degree of off-food insecurity transition within the specific caste and religious identities, respectively (Bhuyan, Sahoo and Suar, 2020). In view of its high vulnerability, enhancement of mitigation steps is strongly recommended in the food service industry (van Ruth *et al.*, 2020). Results thus reinforce the literature in relation to social media and advertising in relation to the awareness of the contents produced and exchanged by tourists in relation to the restaurant experience as a whole (Tiago, Amaral and Tiago, 2015). Review of the material yielded three major categories, namely sensory level, level of safety and others. Of these, the principal cause of discontent was the sensory experience. The categorization suggests important consequences for researchers and professionals in industry (Chan, Hassan and Boo, 2014).

IV. CONCLUSION:

From an Indian viewpoint, this research takes a significant attempt by doing a review analysis to analyze the varied activities and challenges of restaurants industry. In a rapidly expanding market with high food rising costs, the restaurant's performance was decided by its profitability without sacrificing quality or taste. The research on new issues, novel contexts in examining restaurant industry would substantially contribute towards the growing academic literature on restaurant industry in India.

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