

Factors Influencing the Selection of Restaurant for Dining in Dhaka City of Bangladesh

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Abstract

Eating outside the home became a new trend nowadays in Dhaka city of Bangladesh, and that has an impact on the restaurant industry of Dhaka. This is due to the increase in income and the changes in tastes and preference of the city dwellers. Hence, this study has been designed to identify the factors influencing the selection of restaurants by the Dhaka city dwellers. Both primary and secondary data were used to conduct this study. A structured questionnaire having five-point scale, one having strongly disagreed and five having strongly agreed used to conduct the survey. The data were analyzed using both descriptive and inferential statistics. Descriptive statistics were used to describe the restaurants, and the variables of Dhaka city and inferential statistics were used to identify the relationship between the factors influencing the selection of the restaurants and the overall selection decision of the restaurant customers. Results show that the restaurant customers are influenced by five factors such as customer service, availability of variety and junk foods, maintenance of privacy, the brand name of the restaurant, and availability of ready-made food in Dhaka. Factors like customer service, maintenance of privacy, the brand name of the restaurant, and availability of ready-made food are found significant for selecting the restaurant of Dhaka dwellers for dining at the restaurants. This study also identified that the availability of a variety of foods is not the determinant for selecting a restaurant by the customers of Dhaka. This study suggests that the restaurants doing business in Dhaka City should focus on the factors like customers' service, maintenance of privacy, brand name, and availability of ready-made foods for obtaining more customers in their restaurants for the growth and development in future.

Index terms— customer service, availability of variety of foods, maintenance of privacy, brand name of the restaurant, availability of ready-made food.

1 I. Introduction

Bangladesh is a densely populated country in the world. Presently, there are about 170 million people living in this country of which 20 million are living in Dhaka city—the capital of the country. The country's outstanding economic growth is evidenced by the growing GDP of 6 to 7 percent, and inflation has remained stable at 7 percent despite frequent supply chain disruption. This significant growth has brought in a massive change in the composition of the country's workforce which is evidenced by the rise of the middle consumer class. As an emerging economy, consumers' disposable income and personal savings are experiencing a positive momentum that has induced them to go out of their house with families and friends and spend money in the restaurants for dining. Although world-famous franchises like KFC, Pizza Hut and Nando's have already entered into Bangladesh, most of the restaurants are local and Bangladeshi owned. Bangladesh government also formulated laws for the restaurants that define restaurant as a business establishment where 30 or more people can be served food. In addition to

that, the development of information technology and media, especially young professionals, businessmen, families, and students are provoked to hang out with friends, families and colleagues in the restaurants like developed societies. Hence, this business is growing very fast in Dhaka city of Bangladesh.

Observations show that there are some factors that influence the selection of the restaurants for dining in Dhaka city. A study on customer hospitality shows that the most significant factors affecting the customer hospitality of fast food industry in Bangladesh are greetings, sitting arrangement, and the service speed of the restaurants (Ashraf, Harun, Md., Fayeze Ahmed and Maniruzzaman, 2013). These salutations are directly concerned with the culture of Bangladeshi people. As most of the people of Dhaka city are middle-income group, the price of the food in the restaurant is also very important factor in selecting the restaurant for dining. Study on young customer shows that affordable price of the menu, service quality and restaurant ambiance are important factors which make the young consumers to prefer the fast food at the restaurants (Medina Kabir Tamanna, 2016). For this reason, the selection of low priced restaurants is dominant among the respondents for their regular food. Hence, restaurant entrepreneurs should consider the factors along with quality and price of food to exploit the opportunities of utilizing the prospects of the restaurant (Abdul Latif, Shamima Yeasmin, Mazharul Islam and Afjal Hossain Jony, 2015). Selection of restaurant is also dependent on the prompt service, physical environment, food quality, pricing (Ayesha Tabassum and Tasnuva Rahman, 2012). Studies show that the consumers give most importance on brand reputation of the food item followed by nearness to receive and accessibility, similarity of taste with previous experience, cost and quality of the food, discount and taste, cleanliness and hygiene, salesmanship and decoration, fat and cholesterol level, and self-service factors (Nazrul Islam & G. M. Shafayet Ullah, 2010).

The selection of the restaurant is, sometimes, influenced by age, gender difference and income of the customers. The study shows that there is a strong relationship between consumer perception and behavior in selecting a restaurant when age, gender, and income play a mediating role in selecting the restaurants. Also, it is also found that consumers' age differences have the highest influence on their behavior of choosing a restaurant (Muhammad Sabbir Rahman, 2012). The selection of the restaurant often depends on the satisfaction and prior experience of the customers. The Study shows that the customer satisfaction is a direct antecedent to trust, but indirect to commitment (Dev Jani Heesup Han, 2011).

There are some customers, who are very much health conscious. They focus on health-related aspects found that the reasons for choosing a restaurant with concern health issues differed according to consumers' knowledge of health issues, annual income level, the budget for dining out, and weight concern (Choi, J., & Zhao, J., 2010). People who don't live in Dhaka city, have some other point to consider to select their restaurants for dining. Research shows that the travelers give importance on cleanliness, food quality, and friendliness of the staff as most important factors for the selection of the restaurant (Tripp, Carolyn, Karen R. Greathouse, Carol W. Shanklin, and Mary B. Gregoire, 1995). As customer satisfaction is concerned with the selection of restaurant for dining, satisfaction is an important point to the customers. Research shows that the customer satisfaction was influenced most by the responsiveness of the Frontline employees, followed by price and food quality (in that order). Physical design and appearance of the restaurant did not have a significant effect (Saad Andaleeb, S., & Conway, C., 2006). Restaurant customers also consider the food quality, service quality, restaurant environment, and perception of price fairness that has an impact of the customer satisfaction (Haghighi, M., Dorosti, A., Rahnama, A., & Hoseinpour, A., 2012). The food provided (quality, taste) in the restaurant has to impact on the selection of restaurant. Sometimes, prior positive experience, a clean production/service environment, and hospitable service are additional factors that most strongly influenced restaurant choice (Duarte Alonso, A., O'Neill, M., Liu, Y., & O'Shea, M., 2013). The Study identified three sources of customers' satisfaction with restaurant services: (i) positive emotions, (ii) perceived service quality and (iii) negative emotions. Positive emotions have more impact on customers' satisfaction than negative emotions. Also, emotions mediate the impact of perceived service quality on dining satisfaction. Finally, satisfaction has a significant impact on recommendation, customer loyalty and willingness to pay more (Ladhari, R., Brun, I., & Morales, M., 2008). The Study also shows that multiple components of consumption emotions significantly affected customer satisfaction, and satisfaction mediated the effect of emotion factors on revisit intention (Han, H., Back, K. J., & Barrett, B., 2009). Restaurant location is another factor for selecting the restaurant for dining (Edwards, J. S., Meiselman, H. L., Edwards, A., & Leshner, L., 2003).

However, some factors influence the selection of the restaurant of the Dhaka city dwellers. Hence, this study aims to identify the factors influencing the selection of restaurants by the Dhaka city dwellers.

2 II. Research Methods

This study used both primary and secondary data. Primary data were collected from the interview of 325 workers from 29 restaurants located in Banani, Uttara, Dhanmondi and, Mohammadpur of Dhaka city. A structured questionnaire with 23 items was used to collect the data. The secondary data were also collected from the journals, periodicals, annual reports of Bangladesh Hotel and Restaurant Association (BHRA), etc.

3 a) Data Collection

In collecting data, a group of MBA students of Bangladesh University of Professionals was used. They were given adequate training with the items on the questionnaire and supervised closely to conduct interviews with the people ate at the restaurants. The sample respondents were selected by using the convenience sampling method. After the collection of data, incomplete, and biased, and or abnormally answered data were discarded through a thorough scrutinizing process. The reliability of 23 items in the questionnaire has been tested by using SPSS software, and the Alpha Coefficient was identified as 0.815 which is at the acceptable limit as per Nunnally (1967Nunnally (& 1978)).

4 b) Participants and Procedures

This study administered a survey instrument to justify the theoretical framework and apply it to identify the perception of the restaurant customers regarding he factors for which they have selected the restaurant. Participants in the study were the customers of the restaurants located in the prime spot of Dhaka City. A total of 325 restaurant customers participated in this survey. Participation in the study was voluntary. The details of the participants are explained in Table 1. Unless otherwise indicated, a 5-point response scale was used, ranging from 1 = strongly disagree to 5 = strongly agree. Tabachnick and Fidell (2001), the value of skewness and kurtosis statistic lies between -4 to +4 that is deemed to be acceptable. Table 2 shows that all the data met the acceptable range indicating the normal distribution of data. Both descriptive and inferential statistics were used to analyze the data. Descriptive statistics like mean, standard deviation, a simple percentage was used to describe the situation of the restaurants of Dhaka City of Bangladesh. Along with descriptive statistics 1 , inferential statistical 2 1 Descriptive statistics includes statistical procedures that we use to describe the population we are studying. The data could be collected from either a sample or a population, but the results help us organize and describe data. Descriptive statistics can only be used to describe the group that is being studying. That is, the results cannot be generalized to any larger group.

techniques such as, 2 Inferential statistics is concerned with making predictions or inferences about a population from observations and analyses of a sample. That is, we can take the results of an analysis using a sample Factor Analysis and Multiple Regression Analysis were used to analyze the data. A Principal Component Analysis (PCA) with an Orthogonal Rotation (Varimax) 3 using the SPSS (Statistical Package for Social Sciences) was performed on the survey data. Multiple Regression Analysis 4 e) Initial Reliability Analysis was run to identify the relationships between the dependent and independent variables of the model. Inferential statistics like Factor Analysis (FA) was used to separate the factors related to the selection of the restaurant for dining. Multiple Regression Analysis (MRA) was used to identify the significant factors from the factors identified through factor analysis. Confirmatory Factor Analysis (CFA) and Structural Equation Modeling (SEM) were also conducted to identify the significant factors concerning the selections of the restaurant for dining. The overall selection of the restaurant customers was also identified in this analysis.

To analyze the reliability of the model, this study used the Cronbach's alpha coefficient value. Table 4 shows all Cronbach's alpha values of different factors that are above 0.60 cutoff values as suggested by ??unnally and Berstein (1994).

5 f) Discriminant Validity

For checking the discriminant validity, we followed Fornell Larcker's (1981) criterion that compares the AVE value with corresponding correlation values with other variables. The square-root value of AVE needs to be greater than the corresponding correlation values with other variables ??Hair et al., 2014). The Discriminant Validity of the factors is shown in Table 3. and can generalize it to the larger population that the sample represents. 3 Varimax rotation is an orthogonal rotation of the factor axes to maximize the variance of the squared loadings of a factor (column) on all the variables (rows) in a factor matrix, which has the effect of differentiating the original variables by extracted factor. Each factor will tend to have either large or small loadings of any particular variable. A varimax solution yields results which make it as easy as possible to identify each variable with a single factor. This is the most common rotation option. 4 In statistics, regression analysis is a statistical process for estimating the relationships among variables. It includes many techniques for modeling and analyzing several variables, when the focus is on the relationship between a dependent variable and one or more independent variables. More specifically, regression analysis helps one understand how the typical value of the dependent variable (or 'Criterion Variable') changes when any one of the independent variables is varied, while the other independent variables are held fixed.

6 III. Results and Discussions

In this section, results of Exploratory Factor Analysis, results of Confirmatory Factor Analysis, and the results of Structural Equation Modeling are reported.

7 a) Results of Exploratory Factor Analysis (EFA)

To assess the EFA, four commonly used assumption was followed ??Hair et al., 1998; ??ield, 2000): sampling adequacy (Kaisers-Mayesolkin, measure greater than 0.5); the minimum eigen value for each factor to be one;

considering the sample size, factor loading of 0.50 for each item was considered as the threshold for retaining items to ensure greater confidence; and varimax rotation was used since it is good general approach that simplifies the interpretation of factors (Field, 2000).

Table 4 shows that the result of results of exploratory factor analysis. Hair et al. (2010) suggested that factor analysis can be performed when Kaiser-Meyer-Olkin (KMO) Test and Bartlett's test of Sphericity are significant. An index of Kaiser's measures of sampling adequacy (overall MSA= 0.841) and Bartlett's Test of Sphericity $\chi^2(2) (p=0.000)$ suggested that factor analysis is appropriate for analyzing our data. After examining the pattern matrix of the EFA, the study found that all items had greater than 0.50. Our result indicated that factor analysis is appropriate. After confirming research constructs, principal components analysis and the varimax rotation method were specifically used to extract factors 23 items. Hair et al. (2010) recommend that each item factors loading must be more than 0.50 values are considered highly significant. Based on eigen value greater than 1, a five-factor model that explains 64.17% of the total variance has been developed. As a whole, 22 items were grouped into five different factors like customer service, availability of variety & junk food, maintenance of privacy, brand name, availability of readymade food by the analysis. The EFA result also showed 0.583 as the lowest and 0.865 as the highest factor loadings of the variables. The result of factor analysis showed that all the factors are acceptable for further analysis.

8 b) Results of Confirmatory Factor Analysis (CFA)

CFA was utilized to confirm the unidimensionality of measurement that resulted from the EFA. The χ^2/df for this model was 2.501 that was smaller than the three recommended by . Other fit indexes also showed a good fit for the measurement model. The GFI is 0.918 which was greater than the recommended value of 0.90 (Joreskog & Sorbom (1984). Moreover, the adjusted goodness of fit index (AGFI) is 0.881, which was greater than the 0.90 recommended by Anderson and Gerbig (1984). Furthermore, the non-incremental fit index, such as the comparative fit index (CFI) is 0.921 that was exceeding the recommended cut-off level of 0.90 (Bentler, 1990). Finally, the root means square error of approximation (RMSEA) was 0.068, which also was greater than the suggested a good fit to the data (Browne & Cudeck, 1993). The summary result is shown in table 3. The fit indices showed a good model fit to the data. The other model fit indices were IFI = 0.922, TLI = 0.899, SRMR = 0.05, and RMR = 0.063 (Table 5 & Figure 1). In sum, the measurement model exhibited a fairly good fit for the data collected. The measurement model was further assessed for construct reliability and validity. Construct reliability can be interpreted as the resultant coefficient that is similar to that of Cronbach's alpha, except that it also takes into account the actual factor loadings rather than assuming each item to be equally weighted in the composite load determination.

9 IV. Conclusions and Recommendations

This study identified six factors through exploratory factor analysis that influence the selection of the restaurant for dining in Dhaka city of Bangladesh. The factors are customer service, availability of variety & junk food, maintenance of privacy, brand name, availability of readymade food. These factors are confirmed by the confirmatory factor analysis.

The analysis also supported that the factors such as customer service, maintenance of privacy, brand name, availability of readymade food have significant relationships with the overall selection of the restaurant for dining. In Dhaka, people prefer hospitality by culture. Hence, they are provided good services at the time of dining they become motivated to it. Privacy also matters to the people of Bangladesh when they eat at the restaurant. When this privacy is ensured, people naturally like it and select the restaurant for dining. Restaurant eaters also prefer availability of readymade food items in the restaurant. They would like to go to the same restaurant if the long run repeatedly in they find readymade foods are served in shortest possible time. Brand name also matters to the restaurant eaters of Dhaka city of Bangladesh. This study also identified that the restaurant eaters of Dhaka city do not give importance to the availability of variety & junk food for selecting the restaurant for dining. The reasons might be attributed to the health consciousness of the people. Restaurant eaters also feel that the food they will take will not be junk food of health hazardous in the long run. However, there is an ample scope to identify more factors for the selection of restaurant for dining in Dhaka city in further research by taking more samples and the constructs under consideration.

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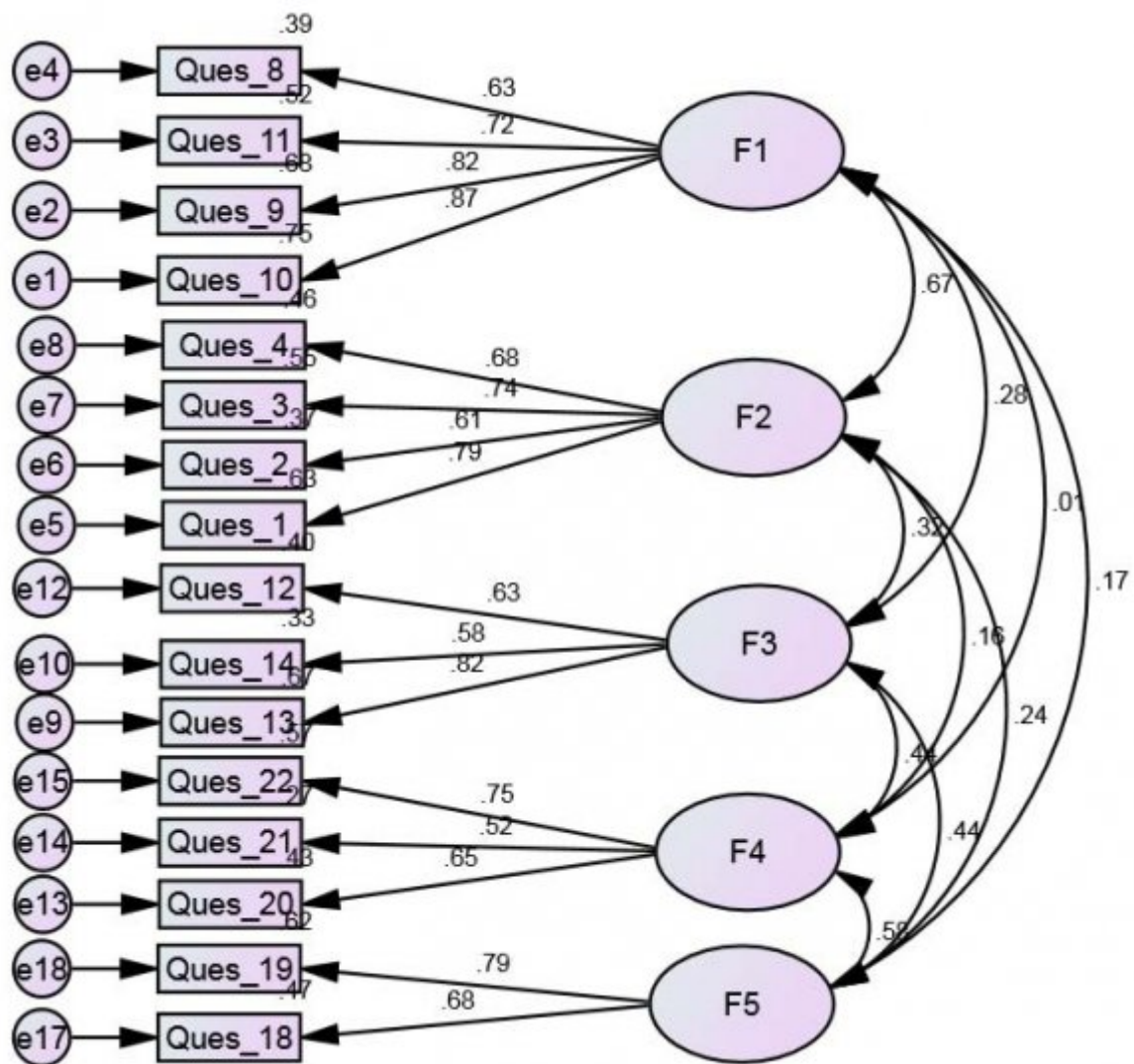
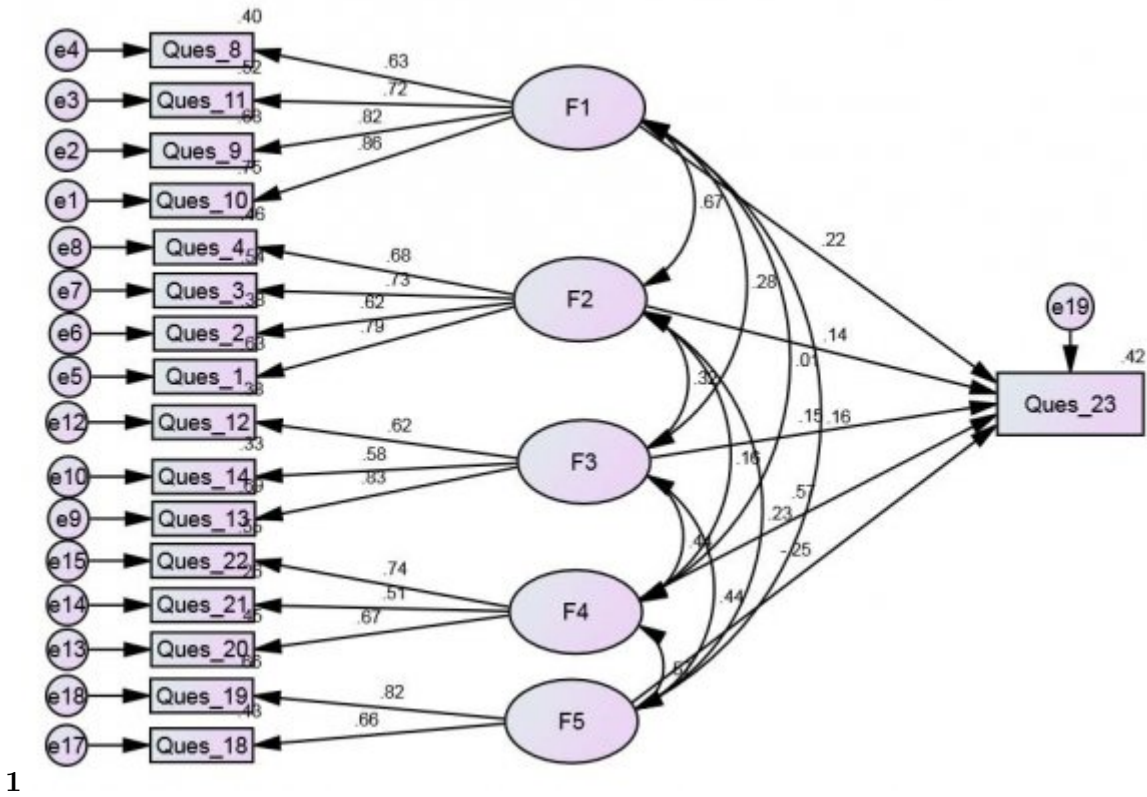


Figure 1:



1

1.	Banani	65	20.00
2.	Uttara	102	31.38
3.	Dhanmondi	77	23.69
4.	Mohammadpur	81	24.93
	Total	325	100.00

c) Normality of Data
According to

Figure 3: Table 1 :

2

	N	Skewness	Kurtosis
Ques_1	325	0.12	-0.94
Ques_2	325	0.02	-0.88
Ques_3	325	0.21	-0.60
Ques_4	325	-0.15	-0.68
Ques_5	325	-0.20	-0.88
Ques_6	325	-0.44	-0.34
Ques_7	325	0.03	-0.99
Ques_8	325	0.28	-0.95
Ques_9	325	0.23	-1.11
Ques_10	325	0.32	-0.98
Ques_11	325	-0.09	-1.25
Ques_12	325	-1.04	1.44
Ques_13	325	-0.83	0.84
Ques_14	325	-0.60	0.13
Ques_15	325	-0.61	0.16
Ques_16	325	-0.60	0.05
Ques_17	325	-0.46	-0.44
Ques_18	325	-0.66	0.48
Ques_19	325	-0.54	0.30
Ques_20	325	-0.77	0.68
Ques_21	325	-0.89	0.97
Ques_22	325	-0.73	0.62
Ques_23	325	-0.80	0.67
d) Analytical Tools			

Figure 4: Table 2 :

3

Factors	Descriptive Statistics		Correlations		
	Mean	SD	1	2	3
1. Customer Service	3.01	1.01	0.77		
2. Availability of variety & junk food	3.14	0.84	.475	0.71	
3. Maintenance of Privacy	3.92	0.71	.171	.165	0.71
4. Brand Name	3.74	0.7	.165	.140	.346
5. Availability of ready-made food	3.53	0.75	0.06	.123	.289
g) The Coefficient of Determination					

The analysis shows that the R square value of the model is 42.40%. That means all five independent factors like customer service, availability of variety & junk food, maintenance of privacy, brand name, availability of ready-made foods explained 42.40% of the variance in the overall selection of the restaurant eaters for dining in Dhaka city.

Figure 5: Table 3 :

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Figure 6: Table 4 :

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Figure 7: Table 5 :

6

Factors	Estimate	S.E.	C.R.	P	Sig.
Overall?Customer Service	.191	.071	2.702	.007	Significant
Overall?Availability of variety & junk food	.146	.088	1.662	.097	Not Significant
Overall?Maintenance of privacy	.196	.092	2.137	.033	Significant
Overall?Brand name	.743		5.745	.000	Significant
Overall?Availability of ready-made food	-.330	.117	-2.816	.005	Significant

Figure 8: Table 6 :

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