Introduction

The restaurant industry has developed and expanded to gain a global presence in the last fifty years largely fuelled by the change of lifestyles. Urban populations have grown throughout the world, mobility of people has increased and people spend a lot of time commuting to and from work (Schlosser, 2001). This has been compounded by the increased presence of women in the workplace which has resulted in less time available for them to prepare meals at home (Jekanowski, Binkley & Eales, 2001). These busier consumer lifestyles and dual-working families have led to solutions being sought in using readymade meals (Atkins and Bowler, 2001). For a long time, growth and expansion in the restaurant industry has been associated particularly with the fast food concept (Lashley & Morrison, 2004; Sen 1998).

Viewed from the customers' perspective, Anderson and Fornell (2000) assume that businesses exist and compete to satisfy the customers. They suggest that it is not possible to grow a business without at the same time increasing customer satisfaction. A satisfied customer will become a repeat customer and this could in turn grow a business. Following this general business imperative therefore it means that a satisfied customer will have a critical effect on the long-term success of restaurant business. A satisfied restaurant customer will remain loyal to an outlet or restaurant business and continued patronage can follow a global pattern. On the other hand a dissatisfied customer of restaurant will not only avoid the entire franchise or chain outlets but may also make bad publicity and persuade many people to go elsewhere (Gilbert et al, 2004). This presents an eating establishment (such as a restaurant) with a challenge. They need to satisfy customers to gain repeat business, but what do they need to do? Where should a restaurant focus their energies and attention if they are to not only attract new customers but also to keep existing customers satisfied? The focus of attention is on what are regarded as the Critical Success Factors (CSFs), but there is little published research on CSFs in the restaurant industry in Africa, a gap this study aims to fill.

The paper will investigate the nature of CSFs specifically in the restaurant (food) sector and then discuss the study that has been carried out. The paper will conclude with the discussion and implications of the research for the Kenyan restaurant market.

Research Question and research objectives

It has been suggested that an increase in customer retention of 5% can result in an increase in profits of more than 20% (Reichheld & Sasser, 1990). This figure has encouraged organizations not just to focus on customer attraction, but also customer retention in their operations. But this raises the question of what it is that restaurants need to do to both attract and retain patrons (customers). The primary objective of the research was to investigate customer perceptions of restaurants, focusing on how these restaurants can attract new and retain existing customers. The paper investigates issues relating to attracting customers to a new restaurant, how to retain the customer and potentially what may result in the defection of the customer from the restaurant.

Literature Review: Eating out Trends

Target Group Index (TG1) (2005) analyzed consumption habits and attitudes towards fast food in 15 countries to uncover the latest international trends and variations and discovered that in 12 out of the 15 markets analyzed, the majority of people eat fast food. Australia and the US are home to the largest proportion of fast food consumers with almost nine out of every ten people in each market choosing to eat it. In both countries, fast food consumption is particularly high among young men (aged 18-24). The nations with the lowest prevalence of fast food consumers can be found in Europe and Latin America. In Spain and Brazil less than half of people claim to eat fast food, and in Hungary the figure drops to just 35%. Almost half (46%) of Hungarians think that ‘fast food is all junk’, a belief which appears to be fairly consistent across age groups.

Gowdin (2008) asserts that where once a “meal out” was a special occasion, for many people it is now regarded as a regular treat. According to one recent survey, 70 per cent of people now claim to eat out at least once a month (Mintel, 2007). Snacking throughout the day is also a growing trend; out of home snacking occasions were
expected to grow by 10 per cent by 2010 (Data Monitor, 2006). Stuppy (2009) noted that top reasons today’s consumers choose foods are because of taste, price, healthfulness, and convenience in that order. Therefore, food manufacturers and restaurants will need to be attentive to these as they compete for consumer dollars.

Katago (2009) asserts that the “eating out” culture is yet to pick in Kenya, despite a rapid expansion in urban centers and a growing middle class. This is contrary to the trend in the developed world where individuals and families take meals in restaurants, and they even make an occasion out of it. Mutisya, Sagwe and Kazungu (2010) sought to explore the emerging casual dining trends in the restaurant industry in Kenya. The findings of the study show that dining out is taking a more casual approach, and that having a food selection that reflects the ethnicity of the target market is an important aspect.

Critical Success Factors Theory

The identification of “success factors” was first proposed by Daniel, (1961) in an article on Management Information Crisis. It was later refined by Rockart (1979:85) who uses the term ‘Critical Success Factors’ to mean: “The limited number of areas in which results, if they are satisfactory, will ensure successful competitive performance in an organization”. In this definition Rockart (1979) emphasizes that these areas of activity are key and must “go right”, therefore they should be carefully managed by the company to ensure success. Other definitions exist, Leidecker and Bruno (1984:24) saw CSFs as “those characteristics, conditions or variables that when properly managed, can have a significant impact on the success of a firm competing in a particular industry”.

Rockart (1979) identifies sources of CSFs as industry based, from environmental situations, geographical locations, temporal factors or strategic situations. This approach of CSFs focuses on information needs for purposes of management control and seeks to identify data which can be used to monitor and improve existing areas of business (Amberg, et al, 2005). In some research, this emphasis of deriving CSF from management has been criticized as it has been seen as an approach which relies only on opinions of managers (Davis, 1980). Munro & Wheeler (1984) argued that cross-section of managers’ views should be incorporated as well as opinions of other stakeholders in the organization. This widespread consultation was seen as strengthening the CSF approach because it was viewed that success of an organization does not depend only on managers. This particular paper supports Boynton &Zmud (1984) and argues that customer’s opinions about critical success factors are crucial. Consequently, customers are an important source of CSFs.

Though CSFs have been widely applied they seem to have a generic essence (Brotherton & Shaw, 1996). They have a focused specialization in areas which give the company the greatest competitive advantage, and which therefore become “key” and receive priority in resources allocation and effort. Brotherton (2004) observed that studies on CSFs had largely been done in the USA and Asia-pacific region and UK. There is no evidence of literature on CSFs in restaurant industry in developing nations of Africa and this study aims to contribute to fill this gap.

Critical success factors Considered by a Customer When Choosing to Patronize a Restaurant

Literature suggests that there are a number of general CSFs that are important to customers in the selection of a restaurant. The Most Engaged Customers Report (2010) attempted to measure the customer loyalty of 26 selected brands. First, the study found out that those companies excelling at retaining customers were financially outperforming their industry peers. Furthermore, the report discovered those customers who chose a company based on recommendation were more engaged and forgiving in case of unintended disappointment in service quality. Most Engaged Customers Report (2010) argued that their research across all consumer industries had revealed a hierarchy of needs that together create customer loyalty. Customer loyalty requires all elements to be present. Specifically, these are: The offer made up of products, services and/or experiences that customers want or need; Care, that is a company culture that cares for and values customers; Consistency, meaning excellent service at every touch point; Trust meaning if something goes wrong, the customer has faith the company will put it right; Effort meaning that employees should exert extra effort and go above and beyond customer expectations.

In the case of restaurant patronage, a recent survey has indicated the importance of word-of-mouth in the selection of a restaurant. The survey indicated that 48.9% of respondents used recommendations from friends to select a restaurant while 79.8% of respondents indicated that they influenced others in their selection of restaurants (Oliver & Owens, 2012).
Mutiisa, Sagwe and Kazungu (2010) noted in their study, that 52% of the respondents interviewed indicated that they patronize certain establishments due to the quality of services offered, 21% related to convenience of the location, 10% are attracted by the high standards set through pricing which drives away idlers, 3% due to availability of ample and secure parking space, 3% due the uniqueness of the dining concept and 10% because of a combination of ambience and good location. Respondents were also asked to rate patronage on the basis of perceived income levels of the patrons. Their responses indicate that 59% of the establishments are frequented by upper middle income earners, 19% by what they considered to be affluent, 11% by low income earners and 11% by a mix of affluent, upper middle income earners.

Melia (2012) conducted a study on Critical Success Factors and Performance Management and Measurement in the context of the Hospitality sector in Ireland. The study noted that critical success factors such as quality of product, employees, quality of service, customer satisfaction, location and the quality of the infrastructure can be measured and benchmarked against the competitor in order to provide a sustainable competitive advantage and therefore should be part of the performance measurement process. One can isolate several aspects from Melia (2012) that relate to the factors that customers consider when deciding to patronize a hotel namely; quality of product, employees, quality of service, customer satisfaction, location and the quality of the infrastructure. Conversely, if these factors are regarded as important for a restaurant, absence of these factors will result in a customer not returning. Zikiene and Bakanauskas (2008) conducted a study on factors influencing loyal customers switching behavior in Lithuania. The study took a sample of 150 customers from one company. The authors concluded that the most important factor that caused switching behavior was dissatisfactory quality (mean score of 4.56 out of 5), followed by poor response to service failures (4.17), looking for new value (3.74), core service failures (3.41); service encounter failures (3.40), and inconsistent pricing and price issues (3.36). The findings are relevant to this study as they identify consistency in quality, service and prices.

In the case of fast food restaurants, convenience has also been identified as being a CSF. Convenience in the case of food is associated with the removal of the need to prepare the food (Jekanowski et al., 2001). In the case of the fast food restaurants, convenience is not only the ability to get food that has already been prepared but also that the distance that has to be travelled is relatively short (as consumers will not travel long distances) (Jekanowski et al., 2001). This implies that the product (food) is easy to access.

Research Methodology

Use was made of a qualitative approach in the research due to the exploratory nature of the research. As indicated earlier, the “eating out phenomenon” is a not a developed one in Kenya, and thus a qualitative approach was used. Five focus groups were used as this method provides interaction with a larger number of people, all of whom can provide insights into the research topic. Use was made of a questioning guide as the basis for the discussion. Convenience sampling was used to get participants in the focus group. The respondents were drawn from Strathmore University. A screening questionnaire was sent to potential respondents (before taking part). Respondents who indicated that they ate out were invited to participate in the study.

All the sessions were recorded and then transcribed. Content analysis was used to make meaning out of the group responses. Content analysis is extremely well-suited to analyzing data on the multifaceted, sensitive phenomena characteristic of nursing and customer perceptions. Specifically, after making sense of the data, analysis was conducted using an inductive approach (Kyngas & Vanhanen, 1999). The use of inductive content analysis is recommended when there are no previous studies dealing with the phenomenon or when knowledge is fragmented. The inductive approach/process included open coding, creating categories and abstraction. Open coding was applied when notes and headings were written in the text while reading it. In addition, the written material was read through again, and as many headings as necessary were written down in the margins to describe all aspects of the content (Hsieh & Shannon 2005). The headings were then collected from the margins into coding sheets and categories were freely generated from these coding sheets. After this open coding, the lists of categories were grouped under higher order headings (Burnard, 1991). The aim of grouping data was to reduce the number of categories by collapsing those that are similar or dissimilar into broader higher order categories. The purpose of creating categories was to provide a means of describing the phenomenon, to increase understanding and to generate knowledge. When formulating categories by inductive content analysis, the researcher comes to a decision, through interpretation, as to which things to put in the same category (Elos and Kyngas, 2008).
Results

The Trend of “Eating out” in Kenya

The concept of “eating out” and reasons for its popularity were used at the start of the focus group discussion. The respondents were requested to indicate their opinions on “eating out”, whether they have observed such a trend and what could have contributed to the trend if any. Findings indicate that the “eating out” trend was emerging in Kenya. Though not well developed, respondents were positive about the existence of such a trend. The response that best demonstrated this finding was:

“I think a lot of Kenyans nowadays are adapting to eating out. Maybe because of the way we are trying to get into the whole 24 hour business economy thing, but it is not yet there. But people are really trying. But nowadays since there are more women working; women tend to buy even their families dinner out. They take, take-out for their families and stuff like that. So I think its growing”.

All the focus group discussions (FGD) brought out one of the components of eating out as convenience that is occasioned by lack of time, saving of effort needed to cook, lack of cooking skills along with speed of service delivery in the various restaurants, as an important factor in choosing where to dine out. The response that best demonstrated this finding was:

“We are in a society now that is, we are ever busy, we are ever working, we don’t have time to cook for ourselves anymore so what do I do? The only option is to go and get something from the nearest food outlet that I can get”.

This paper therefore suggests that convenience is an important characteristic and is a motivating factor for the trend towards “eating out”. The quick service restaurants therefore may offer convenience in order to gain competitive advantage in the food service industry. Customers are able to select their products from a hanging menu and often receive their order as soon as they have made their payment at the point of sale.

Another reason for the emerging trend in “eating out” was the desire to socialize. All members of the family, for instance, working adults, the youth and the children look forward to eating out during the weekend (mostly on Sunday) in order to break their routine of the week’s activities and also get to socialize with their friends. The response that best illustrated this finding was:

“…. So for socializing, catching up with what has been going on the whole week and also to bring the monotony of the daily business…..”

This study therefore notes that the need to socialize is an important element that can be used to explain the emerging trend of “eating out” in Kenya.

After identifying whether a trend of “eating out” existed in Kenya, and the reasons for the existence of such a trend, the study thought it logical to establish the factors that customers consider when visiting a restaurant for the first time. The respondents of this study were therefore requested to indicate the factors they considered when visiting a restaurant for the first time.

In another instance, respondents indicate that peer pressure and recommendations from friends were important factors that motivated them to visit a certain restaurant for the first time. The response that best illustrated this finding was:

“From what have seen around mostly it is because was out of influence, someone goes out and finds this restaurant providing some excellent services...I mean she comes in and shares out with friends....”.

This study notes that peer pressure and recommendation from friends is therefore a crucial factor in attracting customers to a restaurant. The restaurant management should therefore take into consideration the need to create brand equity through brand ambassadors who may be celebrities or the regular customers. This is because recommendations and referrals are the strongest and cost effective ways of attracting customers to a restaurant for the first time.

Findings indicated that the component of price was a crucial factor that customers took into consideration when deciding whether or not to visit a particular restaurant for the first time. The people said they would visit a
restaurant if the price was pocket friendly and if the restaurant offered value for their money. The responses that best illustrated this finding were;

“First of all I have to have the money, and when I have the money it will determine where I am going to go”.

The paper also sought to establish the factors considered by a customer when choosing to continue visiting a restaurant. The respondents were therefore requested to express their opinions on what factors they considered when choosing to continue visiting a restaurant.

Findings indicated that customer considered a great offer in terms of product and service when deciding to patronize a restaurant. A great offer is made up of products, services and/or experiences that customers want or need. Specifically, a good offer is characterized by product quality, value for money (quantity and quality in relation to price), quality service, efficient service, good ambience, relaxing and hygienic environment.

In reference to a great offer, product quality was also widely indicated by participants. Customers may therefore decide to continue visiting a restaurant if the food was of good quality and tasted good. The response that best illustrated this response was:

“First and foremost I look at the quality. I want to eat food that I am assured what am eating is okay, the content is of quality”.

The FGD mentioned the component of service a great deal. They like to go to restaurants where service is efficient, and wait staff are attentive to customers without any discrimination. The speed of service is important to them, they do not like to feel forgotten or ignored. People also like to see neat and clean wait staff that is well groomed and have good personal hygiene habits.

The FGD mentioned a 'cool atmosphere' nice relaxing music as indications of atmosphere/ambience in the restaurants. People will keep going to a restaurant that captures their taste in ambience. The FGD also mentioned aspects of space as being important, they do not like to go to restaurants that are squeezed but rather to those that have adequate spacing between tables. The response that best illustrated this finding was:

“Somewhere you can just relax, I want that to be able to freely eat and in peace”.

To verify the factors that attracted customers to a restaurant, FGD were also asked about factors that would make them not return to a specific restaurant. It was determined that a lack of consistency in the various elements that attracted the customer to the restaurant and made the customer to visit the restaurant again can influence the decision to defect from a restaurant. Specifically, lack of consistency in food quality, food quantity, food prices, service and environment may lead to defection.

Inconsistency in food quality was one of the frequently cited factors that may influence customer defection. The responses that best explained this finding were:

“Bad food. There's nothing as bad as you pay for something and then you can taste that food is not fresh at all .... basically those are the two most annoying things that make me never go back to a restaurant”.

Inconsistency in service is another factor that may influence customer defection. Inconsistency in price is another factor that may influence customer defection. Customers would stop visiting a restaurant if the prices changed abruptly or if the products became unaffordable.

Inconsistency in ambience, environment and space is another factor that may influence customer defection. The response that best suited this finding was:

“I like space, if have paid for something, like I have' paid to let's say to, considering the price of course they offer; I have paid for service to sit here and then I end up like my, being knocked all over, as in, spilled my food then definitely, I will not go back there”.

Discussion

Results from this study suggest that “eating out” is perceived as an emerging trend in Kenya. The main reason for the emergence of the trend was convenience. The patrons of restaurants seem to be busy due to tight working schedules and “eating out” becomes an effective and convenient solution. Other reasons for the emergence of the
trend are the desire to socialize. The typical urban Kenyan family may view “eating out” as an activity or lifestyle that is justified by the monotonous activities of the week.

Respondents indicate that peer pressure and recommendations from friends were important factors that motivated them to visit a certain restaurant for the first time. Peer pressure and recommendation from friends is therefore a crucial factor in attracting customers to a restaurant. Findings indicated that the component of price was a crucial factor that customers took into consideration when deciding whether or not to visit a particular restaurant for the first time. The people said they would visit a restaurant if the price was pocket friendly and if the restaurant offered value for their money.

Findings indicated that customer considered a great offer in terms of product and service when deciding to patronize a restaurant. A great offer is made up of products, services and/or experiences that customers want or need. Specifically, a good offer is characterized by product quality, value for money (quantity and quality in relation to price), quality service, efficient service, good ambience, relaxing and hygienic environment. In reference to a great offer, product quality seems to have been the most widely cited. Customers may therefore decide to continue visiting a restaurant if the food was of good quality and tasted good. Results implied that the component of service matters a great deal, they like to go to restaurants where service is efficient, and wait staff are attentive to customers without any discrimination. The speed of service is important to them, they do not like to feel forgotten or ignored. People also like to see neat and clean wait staff that is well groomed and have good personal hygiene habits. Results also indicated that a 'cool atmosphere' nice relaxing music as indications of atmosphere/ambience in the restaurants. People will keep going to a restaurant that captures their taste in ambience. Findings indicated that customer considered customer care when deciding to continue frequenting a restaurant. Customer Care is a company culture that cares for and values customers. People will go to restaurants where they feel welcome, where the wait staff is friendly, courteous and respectful. They will frequent restaurants where they are recognized and treated as family.

The study established that lack of consistency in the various elements that attracted the customer to the restaurant and made the customer to visit the restaurant again can influence the decision to defect from a restaurant. Specifically, lack of consistency in food quality, food quantity, food prices, service and environment may lead to defection.

There are a number of managerial implications from this research. The management of restaurants needs to take into consideration the growing trend of “eating out” and the reasons for its growth. In line with this observation, the management needs to develop products and service offerings that serve the convenience concerns of the restaurant customers.

The findings show that peer pressure and recommendation from friends is a crucial factor in attracting customers to a restaurant. The restaurant management should therefore take into consideration the need to create brand equity through brand ambassadors who may be celebrities or the regular customers. This is because recommendations and referrals are the strongest and cost effective ways of attracting customers to a restaurant for the first time. Furthermore, those customers who chose a company based on recommendation are likely to be more loyal and forgiving in case of unintended disappointment in service quality. Hence, increasing positive word-of-mouth and referrals should be a goal for any organization.

The study noted that a great offer in term of quality service and product, customer care and consistency are important factors for restaurant patronage. Therefore, management should ensure that these critical areas are monitored and taken care of at all times. In addition, management attention and the resources should be directed towards these critical success factors.

Of particular concern and importance is the concept of consistency. Lack of consistency in food quality, food quantity, food prices, service and environment may lead to defection of customers. Management effort should therefore be focused on ensuring that the critical success factors are managed consistently.

The limitations are reflected in the research methodology used. A convenience sample may not be as robust and representative as a different type of sample. In addition, content analysis is usually regarded as being subjective as it involves individual bias in the selection of themes, headings, categories and abstractions. Furthermore, critical success factor methodology is also prone to limitations especially in terms of ambiguousness and the need to contextualize it in order to derive practical relevance. However, the study also acknowledges that these are limitations of qualitative methodologies that do not negate the importance and effectiveness of these
methodologies in making sense out of real life problems. A further limitation is the depth of studies investigating CSF in the hospitality and restaurant sectors in African countries, and specifically in Kenya. Further research would be recommended especially of a quantitative nature.

Conclusion
The primary objective of the research was to investigate customer perceptions of restaurants, focusing on how these restaurants can attract new and retain existing customers. The paper investigates the critical success factors relating to attracting customers to a new restaurant, how to retain the customer and potentially what may result in the defection of the customer from the restaurant.

Focus groups conducted indicated that customers consider the peer pressure and opinions of brand ambassadors such as fellow customers and friends, reputation of the restaurant, the brand name and image as critical factors in deciding whether to visit a particular restaurant or not.

Focus groups conducted indicated that the critical success factors that customers consider when choosing to continue visiting a particular restaurant are great offer in term of quality service and product, customer care and consistency. Focus groups conducted indicated that the critical success factors that may result in customer defecting from a restaurant include lack of consistency in food quality, food quantity; food prices, service and environment.

References – End Notes.


