



# The impact of social media reviews on restaurant performance: The moderating role of excellence certificate

Woo Gon Kim<sup>a,\*</sup>, Jun (Justin) Li<sup>b,1</sup>, Robert A. Brymer<sup>b,2</sup>

<sup>a</sup> International Center for Hospitality Research & Development, Dedman School of Hospitality, College of Business, Florida State University, B4116 University Center, 288 Champions Way, Tallahassee, FL 32306, USA

<sup>b</sup> Dedman School of Hospitality, College of Business, Florida State University, B4116 University Center, 288 Champions Way, Tallahassee, FL 32306, USA

## ARTICLE INFO

### Article history:

Received 30 August 2015

Received in revised form

14 December 2015

Accepted 5 March 2016

### Keywords:

Excellence certificate

Salient restaurant attributes

New amenities

Online review ratings

Restaurant performance

## ABSTRACT

A limited number of studies have been conducted that identify the major drivers of restaurant financial performance. In addition, how an excellence certificate moderates the relationship between determinants and restaurant financial performance is still unknown. The purpose of this study is to examine the influence of social media reviews and operating efficiency metrics on restaurant financial performance and to explore the moderating role of an excellence certificate. The findings of this study reveal that the number of online reviews customers make has a significant positive impact on restaurant performance. Additionally, customer overall rating, guest served per labor hour, and the food quality offered by the restaurant influence restaurant performance. The moderating effect of the restaurant excellence certificate between the number of reviews and restaurant performance are found to be significant. For a restaurant with an excellence certificate, a larger number of reviews or a better overall rating promotes net sales, guest counts, and average check to a larger degree compared to a restaurant without an excellence certificate. Consequently, in order to enhance a restaurant's top line, restaurant operators with an excellence certificate should keep the number of customer comments high and positive.

© 2016 Elsevier Ltd. All rights reserved.

## 1. Introduction

Based on the information provided by the National Restaurant Association (NRA, 2014), 2015 will become a landmark year for the U.S. restaurant industry—the sales volume will exceed \$709 billion, the number of restaurant establishments will amount to 1 million, and the number of employees will reach 14 million. Moreover, the NRA predicts that the number of employees working in the restaurant industry will grow to 15.7 million people in the next decade. The above statistics clearly indicate the importance of the restaurant industry in terms of its sheer size and its contribution to job creation in the U.S. economy. However, the NRA also states that restaurant owners are facing various challenges despite the growth and prosperity of the restaurant industry. For instance, one of the most difficult operational tasks for the viability of restaurant operators is to maintain its customer counts goal. A number of studies

have demonstrated that the salient restaurant attributes customers perceive and employees' productivity are important precursors for accomplishing high customer satisfaction, which in turn will lead to a high sales volume and the profitability of restaurant operation (Gupta et al., 2007; Yim et al., 2014).

Due to the unpredictable meal duration and the fixed pricing structure in the restaurant industry, the application of revenue management to the industry is a challenge, but implementing revenue management strategies, such as demand forecasting, in the restaurant business has recently emerged as an important competitive strategy for enhancing revenue. Revenue enhancement also depends on many other factors, and identifying the determinants of restaurant financial performance is an important topic to explore. However, since collecting data on determinants and restaurants' performance metrics is a challenging task, the extant literature on this issue is very limited. Hence, this study identifies the key determinants of restaurant performance.

Previous studies have identified the effects of traditionally salient restaurant attributes on the financial performance of the restaurant business (see Table 1); however, the determinants in the previous literature were not comprehensive enough. Therefore, this study incorporates traditionally salient attributes (e.g., food, service, value, atmosphere, and guest overall rating), emerging

\* Corresponding author. Tel.: +1 850 644 8242; fax: +1 850 644 5565.

E-mail addresses: [wkim@business.fsu.edu](mailto:wkim@business.fsu.edu) (W.G. Kim), [jli13@fsu.edu](mailto:jli13@fsu.edu) (J. Li), [rbrymer@business.fsu.edu](mailto:rbrymer@business.fsu.edu) (R.A. Brymer).

<sup>1</sup> Tel.: +1 850 566 3983; fax: +1 850 644 5565.

<sup>2</sup> Tel.: +1 850 644 8241; fax: +1 850 644 5565.

**Table 1**  
Restaurant attributes and their outcomes.

Author(s)	Industry type	Data type	Sample size	Analytical method	Chief purposes	Major findings
Koo et al. (1999)	Restaurant	Primary data	86 respondents	Conjoint analysis	To identify a list of restaurant attributes that are important for restaurant-goers in deciding where to dine	Location, type of food, variety of food, uniqueness, car park, price, quality or taste of food, decoration, and service
Susskind and Chan (2000)	Restaurant	Primary and secondary data	63 restaurants	Correlation analysis	To examine the underlying determinants or drivers of a successful full-service restaurant operation	Three attributes of interest (dress code, parking, and outside dining); Three uncommon attributes (internet presence, late night menu, and entertainment)
Heung (2002)	Restaurant	Primary data	180 questionnaires	ANOVA	To understand customers' behaviors in relation to customers' perceptions of important restaurant attributes in selecting an American theme restaurant in Hong Kong	Food quality, servers' attitudes, value for money, atmosphere, and word-of-mouth were the five important restaurant dimensions considered by consumers in selecting an American theme restaurant
Johns and Pine (2002)	Foodservice	Secondary data	N/A	Content analysis	To summarize food service consumer research	Four areas were identified: (research of survey, experimental, economics and geography, sociology, and anthropology)
Park (2004)	Fast food industry	Primary data	279 patrons	Factor and correlation analysis	To investigate the relationships between consumer values of eating-out and the importance of fast food restaurant attributes in Korea	Korean consumers choose fast food restaurants more by hedonic, not utilitarian, values of eating-out
Author(s)	Industry type	Data type	Sample size	Analytical method	Chief purposes	Major findings
Sulek and Hensley (2004)	Irish-pub-style full-service restaurant	Primary data	239 diners	Regression analysis	To investigate the relative importance of food, physical setting, and service in the context of a full-service restaurant	Three factors (food, physical setting, and service) explained about half of the variability in a regression model of customer satisfaction
Baek et al. (2006)	Fast food restaurant	Primary data	632 college students	Conjoint analysis	To investigate Korean and Filipino college students' perceptions of the fast food restaurant selection criteria with respect to the attributes they feel are important	Koreans and Filipinos viewed menu price as the most important attribute. The next important attributes in Korea were brand, food related factors, and service- and hygiene-related factors, while in the Philippines, they were food-related factors, service- and hygiene-related factors, and brand
Saad Andaleeb and Conway (2006)	Full service restaurant industry	Primary data	85 questionnaires	Regression analysis	To determine the factors that explain customer satisfaction in the full service restaurant industry.	Customer satisfaction was influenced most by 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.
Gupta et al. (2007)	Restaurant	Primary data	N/A	Regression analysis	To quantify the links between customer satisfaction, repeat-purchase intentions, and restaurant performance	Restaurants paying attention to food quality, appropriate cost, and attentive service have the greatest chance to increase guests' intent to return
Namkung and Jang (2008)	Mid-to-upper scale restaurants	Primary data	287 diners	Logistic regression	To identify key quality attributes that significantly distinguish highly satisfied diners from non-highly satisfied diners	Appealing food presentation, tasty food, spatial seating arrangement, fascinating interior design, pleasing background music, reliable service, responsive service, and competent employees are important attributes in contributing to the high satisfaction of diners
Kim and Moon (2009)	Theme restaurants	Primary data	208 surveys	SEM	To explore the relationships among physical environment, customers' emotional and cognitive responses, and behavioral intentions	Perception of the servicescape directly influences customer emotions and, in turn, indirectly affects their behavioral intentions

Download English Version:

<https://daneshyari.com/en/article/7419177>

Download Persian Version:

<https://daneshyari.com/article/7419177>

[Daneshyari.com](https://daneshyari.com)