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Key success factors in full-service restaurants in Finland

A qualitative study on operation management and strategy

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Bachelor's thesis
November 2015
School of Business and Service Management
Degree Programme in International Business

Jyväskylän ammattikorkeakoulu
JAMK University of Applied Sciences

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Description

Author(s)	Type of publication	Date
Tran, Hoa Quynh	Bachelor's thesis	16.11.2015
	Number of pages 62	Language of publication: English
		Permission for web publication: x

Title of publication

Key success factors in full-service restaurants in Finland

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Degree programme

Degree programme in International Business

Supervisor(s)

Akpinar, Murat

Assigned by

Jyväskylä University of Applied Sciences (JAMK)

Description

The objective of the study was to find out critical success factors relates to superior performance in restaurant businesses. The research scope focused on full-service restaurants in Finland.

The research approach is qualitative. The theoretical part of the research covers critical success factor, service management and restaurant operation management. The empirical study includes results of two semi-structured face-to-face interviews conducted with restaurant managers during the autumn 2015. The purpose of the interviews was to find out their experience and insight related to key factors contributing to successful practice. The selection process was taken cautiously to achieve the representativeness of the sample. Figaro Restaurant and Vesilinna Restaurant were chosen as qualified sample. The data was collected from interviews with two managers of these restaurants and analyzed by constant comparative method using coding system developed from theoretical framework.

The results of the interviews presented a set of factors that appeared to significantly influence the business performance of the restaurants. The findings also revealed fundamental elements of a successful full-service restaurant and their cause and effect relation with the factors.

The main conclusion of the research is that high performance in food quality relates closely to purchasing, production and quality control functions while high-standard service requires potential workforce, customer relationship, customer knowledge, and proximity to the market. Furthermore, a distinguished strategy is vital for the business to remain competitive. The research is limited in scope and language of conduct. The study is useful for similar topic research in other contexts or the development of quantitative study on the subject.

Keywords (subjects)

Critical success factors, full-service restaurants, service management, restaurant management, qualitative research, semi-structured interviews

Miscellanous

CONTENTS

FIGURES

1 INTRODUCTION

Gastronomy is always an enjoyable topic in our lives. Thanks to the higher quality of life and increase in free time and disposable income, cuisines and the culinary art have been given more and more attention – leading to a significant growth of restaurants in both numbers and scale, which has turned it into an important element in most cities and towns. Throughout the 20th centuries, the restaurant industry, together with the hotel and tourism sector, has become one of the fastest growing sectors and counted for more than one third of the global services (International Labour Organization, 2010). Constantly evolving and progressively complex, restaurants have no longer owned their position purely based on the chefs' skills. Nowadays, the first priority of a restaurant might not necessary be the quality of food any longer. In many cases it depends on various other factors in order to create the success of a catering service. What these factors are, and how to make an effective combination out of them, caught a strong interest in the author. As a result, the author decided to conduct a study to understand these elements in restaurants, and choosing Finnish restaurants as the object of research.

1.1 Background information

After background research about the catering industry in Finland, the first impression was that Finland lacks a number of general family oriented restaurants, in comparison to other European countries, due to the Finnish perception of a high price level of a restaurant meal (Häkkinen, 2010). There used to be a time when restaurants only existed in large cities, and served upper-class clients (Helsingin hotelli- ja ravintolamuseo, 2003). The restaurant industry was once heavily damaged by the Prohibition of Alcoholic Beverages period and in wartime, after which started with the establishment of the state-owned alcohol company Alko Oy (Hotelli-ja ravintolamuseo, 2003). From the 1960s, the number of restaurants in Finland increased substantially and the industry began to gain more variety in the 1980's, sped up by Alko's more liberal policy and the economic boom of the late 1980's (Häkkinen, 2010). The restaurant sector, together with hotels, has expanded largely in terms of employment, which increased by 35.0% in the 1990s and 9.0% in the

2000s according to a MARA report (Matkailu- ja Ravintolapalvelut MaRa, 2013). There is also a growing trend of eating out in Finland, according to the same report.

Back to present, nevertheless, the figures indicates that this sector has gradually declined in sales and staff in the last five years (Vihmo, 2014). The economic recession has weakened the consumers' demand and purchasing power – resulting in the declining trend of Finns dining out in restaurants (Halla, 2014). For the first time in the 20th century, a large number of employees in the restaurant industry were left unemployed as the restaurant service were the first to suffer when the economy weakened (Häkkinen, 2010). In the year 2014, Finland's restaurant sector almost doubled the losses compared to 2013, due to the drop in the number of Russian tourists (Yle, 2014). According to the report of Finnish Hospitality Association about this sector last year, licensed restaurant sales decreased by three percent (-3.0%), along with a decrease in restaurant staff (-4.4%), while the fast food chains were in a slightly better situation with a small increase in sale (0.2%) (Vihmo, 2015). Many small-scale restaurants and bars faced the prospect of having to shut their doors and collapse (Yle, 2014).

Besides the economic downturn and falling demand, another major constrain to this sector is taxation, especially the alcohol tax. According to the information from MARA, in the cost structure of a restaurant in Finland, taxation counts for 27.0%, raw material counts for 29.0%, wages for 25.0%, rental for 10.0%, and other costs 5.0%. The normal earning figure EBITDA is 5.0% in which operating profit counts for 2.0%. This means that a one hundred euros dinner only gives two euros profit. (Matkailu- ja Ravintolapalvelut MaRa, 2014).

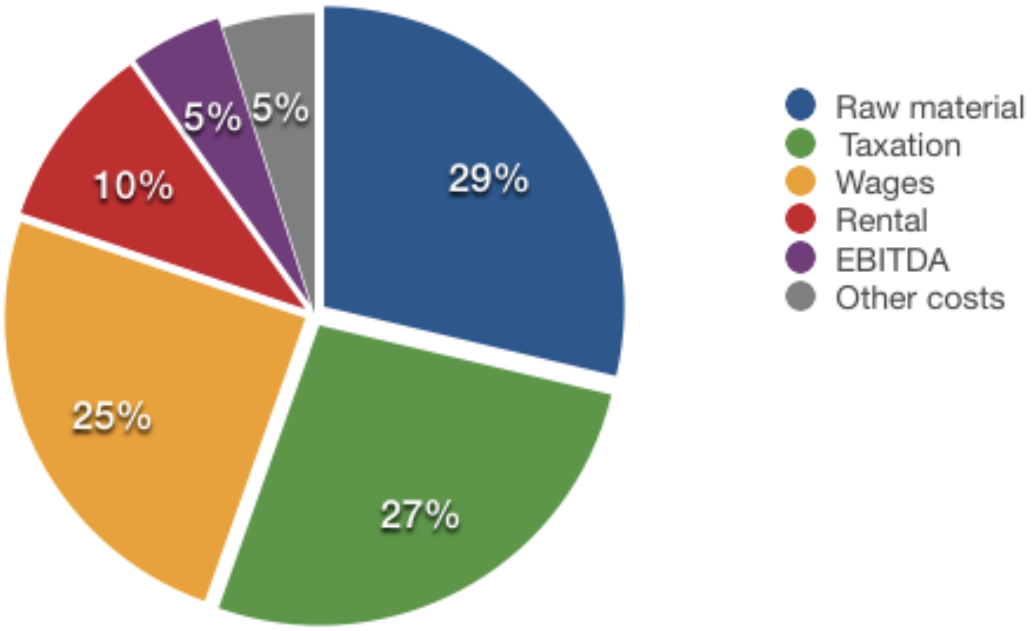

Figure 1. Cost Structure of Restaurants in Finland

(Matkailu- ja Ravintolapalvelut MaRa, 2014)

The government executing an alcohol tax reduction in 2005 made it worse by creating a huge difference between alcohol drinks in restaurants and stores, reversely led to the fall in restaurant demands, and grow in stores' sale (Pelkonen, 2013). This disadvantage along with high prices of wholesales foods, a limited transport network and the currently low demand, has created a highly competitive environment for the restaurant industry (Tegelberg, 2015).

In that context, this research was carried out in order to reveal what elements are vital to a restaurant business – which factors are the essentials to the survival and success of restaurants in this country. It is also an attempt to gain more knowledge and understanding about this sector in Finland: the operation in restaurants, and the restaurateurs' strategies and perceptions.

1.2 Research objectives

1.2.1 Research aims

The research is based on the hypothesis that there are certain key success factors in restaurant business. Thus, the objective of the research is to explore hypotheses about these factors, which contribute largely to superior business performance in restaurants. In short, the research aims at identifying some factors that play vital roles to the success of restaurants in Finland.

1.2.2 Objects of the research

The restaurant industry basically consists of four major segments; according to the level of service customers receive: full service, quick service, eating and drinking place, and retail host. The full service segment is defined as "made up of dining locations that do not require customers to prepare or serve their own meals"; usually offering menu selections and the price can vary between moderate and greatly expensive (Akers, NA). Quick service restaurants are "fast-food chains and casual restaurants that offer buffets and take-out service", which emphases on in-minute preparation and serving time, and "relatively inexpensive" (Akers, NA). Eating and drinking place segment includes "caterers and refreshment stand vendor", and retail host can be restaurants that "located within gas stations and grocery stores" for example, mostly the "franchises of major brand, such as specialty coffee or fast-food chains" (Akers, NA).

This research focuses on full-service restaurants. This can include from Casual Dining to Fine Dining restaurants. Casual Dining restaurants are defined as "appealing to a wide audience, provide a variety of food items, from appetizers and salads to main dishes and desserts," and "offering comfortable atmospheres with mid-range prices" (Jacquelyn, 2001). Fine Dining restaurants are defined as "full service restaurants with upscale menu and extensive beverage offerings", with "more sophisticated décor and ambiance, the wait staff is usually highly trained… and there is often a dress code for patrons" (Trends in Fine Dining, 2011, p. 102).

1.3 Research questions

Based on the problem described, the research aims to answer the question: What are the critical success factors to full-service restaurants in Finland? This question is closely related to the concept of Critical Success Factors (CSF), which will be defined thoroughly in the next chapter.

1.4 Research approach

The approach of the research is to identify key success factors from both perceived and actual views, and on that basis explore some hypotheses about the business characteristics that have resulted in high business performance. The actual key success factors were collected from theories and literature review as a source for hypotheses. The perceived key success factors were identified from the viewpoint of restaurant managers. This is a qualitative task, which was achieved through interviews that investigated the managers' perceived causes of their perceived high performance. The perceived factors were then specified as concepts, and being linked with the theoretical ones in order to create subjective hypotheses about the object.

1.5 Thesis structure

The thesis consists of five main parts: Introduction, Literature review, Methodology, Results and Discussion.

The Introduction introduces the topic and my motivation to do the research. Moreover, it provides some background knowledge about the restaurant industry context in Finland – history and recent developments, in order to create an image of the industry in general. Furthermore, it presents the research objective and questions; the focused segment of the research, and briefly introduces the strategy for implementing the research.

The Literature Review is provided in order to create a theoretical framework for the empirical study. First of all, the concept of Key Success Factors is discussed thoroughly. Furthermore, the review takes into consideration some basics and main areas in operation under the scope of Service Management. The third part is about

restaurant industry. First of all, it presents the external environment and internal factors that highly affect the restaurant industry and its unit. Furthermore, it focuses on essential elements in Restaurant Management. Finally, the review presents the theoretical framework selected for the research.

The purpose of the Methodology chapter is to explain the choice of method, the selection of sample, research design, data collection process, and the data analysis process.

The Results chapter reports the findings and facts that the research revealed from interviews. These findings were interpreted and analyzed carefully to identify the factors from perspectives of restaurant managers.

The last Chapter – Discussion discusses about the findings to answer the research questions. Moreover, it summarizes the progress of the research and evaluating how well the research achieves its aim. The part also discusses limitations of the thesis and possible further research.

2 LITERATURE REVIEW

2.1 Key success factors

The concept of key success factor, also known as Critical Success Factor has originated from the field of *Management Information Systems* for the purpose of designing information systems for top managers (Grunert & Ellegaard, 1992). According to Bullen and Rockart, *critical success factors* are defined as "the limited number of areas in which satisfactory results will ensure successful competitive performance for the individual, department or organization. Critical success factors are the few key areas where 'things must go right' for the business to flourish and for the manager's goals to be attained" (Bullen & Rockart, 1981). In short, the core idea of key success factor is that it is "a statement about casual relationship, namely between success and some cause of success" (Grunert & Ellegaard, 1992, p. 5).

This concept was later adapted to the field of business strategy research and transformed in many different ways, but can mainly be grouped into three views: as *a business characteristic*, as *a planning tool*, and as *a market description* (op. cit. p2).

2.1.1 A business characteristic

The theory behind this point of view is that “every business is unique in all aspects” and thus it has to “find its own unique match with its environment” (Grunert & Ellegaard, 1992, p. 5). Therefore, it is impossible to generate general conclusions about key success factors in an industry, or building up a neither knowledge base nor strategy formation for a business community. The only form of research application for finding key success factors is the case study, according to Mintzberg (Mintzberg, 1990). Thus this concept can only be used for the purpose of training business executives by looking at many single cases in order to develop a better understanding and intuition for business ecology. (Grunert & Ellegaard, 1992, p. 5)

2.1.2 A planning tool

In this view, the concept is used for the purpose of developing “planning instruments” in order to help businesses to find the right strategy (Grunert & Ellegaard, 1992, p. 5). The meaning of this idea is that taking key success factors into consideration when planning can help businessmen make better decisions and improve strategy formation. It naturally forces the decision-makers to emphasize on a small number of factors and concentrate on the process of reasoning, which may lead to an improvement in strategy formulating, problem solving and decision-making skills. Similarly to the aim of using key success factor as a business characteristic, this method puts the emphasis on training and improving the skills of decision-makers, and furthermore possibly generate a knowledge base about the process of decision-making: how perceived success factors influence and shape strategy formation. (Op. cit. p5-6)

2.1.3 A market description

The last view of key success factors, called the shared-experiences view, compares perceived success factors to actual success factors. The theory behind this view is that if experience of business strategies is shared and studied, it becomes possible to build up general and empirically based theoretical knowledge about different

strategy types linked to business success, which can guide the selection of a business strategy. (Grunert & Ellegaard, 1992, pp. 6-7)

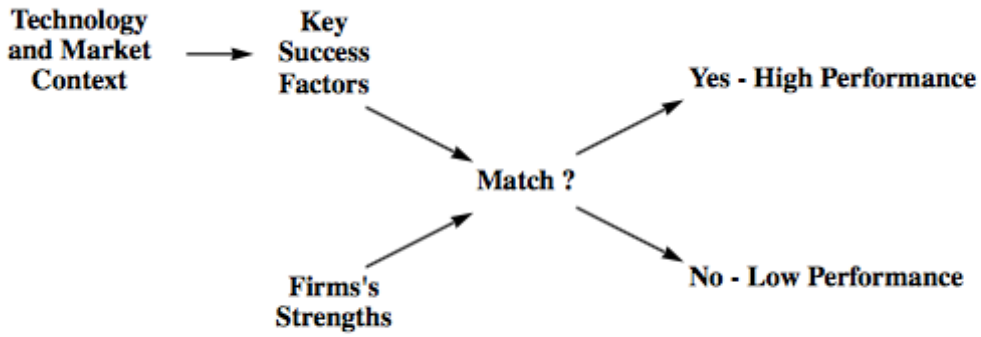

Figure 2. The Shared-experiences View on Key Success Factors

(Sousa de Vasconcellos e Sá & Hambrick, 1989)

This viewpoint assumes that business success exists as an objective truth, which is governed by casual relationships, which can be uncovered through research. The aim of this view is to create a knowledge base of the actual success factors in the market. This aim appears to be highly ambitious as it encounters enormous obstacles. The first challenge is that success and factors leading to it are often difficult to identify and link to each other. In addition, the reliability and validity of the measurements can hardly be evaluated. Another serious problem lies in the nature that success factors are transient and constantly change. Moreover, once success factors are recognized by actors in a market, everybody will invest in the same skills and resources, which can result in changes of the factors. (Op. cit. p6-7.)

2.1.4 The research view

This research takes the foundation on the last view, mentioned above as shared-experiences view – considering key success factors as a market description that can be investigated objectively. This view often results in a research agenda including two tasks: first to collect a source of hypotheses on key success factors; then using research methodology for testing theses hypotheses (Grunert & Ellegaard, 1992).

This research is conducted in order to complete the first task of the agenda. It does not aim at testing any hypotheses, which would require quantitative methodology.

For this task, the research adopted the definition of key success factors from Grunert & Ellegaard, which is stated as the following:

"A key success factor is a skill or resource that a business can invest in, which, on the market the business is operating on, explains a major part of the observable differences in perceived value and/or relative costs."

(Grunert & Ellegaard, 1992, p. 17)

In order to understand this definition, first is to examine the concept of "differences in perceived value and/or relative costs" in regard to successful business performance. Several writers have argued that the causes of differences in performance can be reduced to two basic factors: "the *value which customers perceive in the products/services offered*, and the *costs incurred in creating this perceived value "* (Day & Wensley, 1988) (Petersen, 1991) (Porter, 1980).

At this point it is important to look at the concept of *competitive advantage*. According to Porter, a firm gains its competitive over its competitors either by providing comparable value to buyers with lower cost, *or* by offering greater buyer value with a premium price (Porter, The Competitive Advantage of Nations , 1998). In short, businesses that offer higher perceived value *or* lower relative costs than their rivals are said to have a competitive advantage in that market (Grunert & Ellegaard, 1992).

Also in his book "Competitive advantages of nations" (1998), Porter has argued that though not impossible, it is difficult not to make a trade-off between lower-cost and differentiated relative to competitors, because "providing unique performance service is inherently more costly" (Porter, 1998).

Nevertheless, Kim and Mauborgne later developed the theory of "Blue and Red Ocean" in which they introduced a strategy called *Blue Ocean*, which can "break the value and cost trade-off by create uncontested market space and make competition irrelevant" (Kim & Mauborgne, 2009).

Hence, it can be argued that value and costs can be both positively and negatively related, which can affect profits or other performance measures in various way (for

instance in terms of market share), and these two dimensions have to be assessed simultaneously to measure business performance from the viewpoint of competitive advantage (Grunert & Ellegaard, 1992, p. 11).

The next part discussed the concept of key success factors in terms of skills and resources. According to the authors of the definition, key success factors can be distinguished based on two dimensions: whether they are *conjunctive or compensatory*; and their *changeability.* (Op. cit. p. 14.)

Conjunctive key success factors refer to necessary skills and resources for superior performance in a market. The degree of acquiring these skills and resources always relates to the performance of the business, and a lack of these skills and resources cannot be compensated by those in other areas. (Op. cit. p. 14.)

Compensatory key success factors refer to a set of skills and resources that businesses can choose to emphasize to any extent, and the lower scores on some factors can be compensated for by higher scores on the other factors. The compensatory key success factors thus can be the starting point for strategy formulation. (Op. cit. p. 14.)

Changeability refers to how fast it is for a business to attain one particular skill or resource. The lower the changeability, the more permanent will be the competitive advantage for the business owners. (Op. cit. p. 14.)

This will serve as a framework for this research to categorize and specify the collected factors from qualitative method.

2.2 Service Management

The business of service has been growing and occupying more and more of the market under various forms and in many fields. This part will review the basics of service management and discuss some factors that can contribute to the success of a service business.

2.2.1 Basic Concepts

The first step is to understand the definitions of service and service management. The common definition of *service* is as follows:

> *"A service is intangible, yet provides satisfaction to the customer. It is performed by people, not manufactured by machines. The service may or may not be tied to tangible goods."*
>
> (Balachandran, 2004, p. 2)

Service management thus is the management of processes involved in service activities, including planning, organizing, staffing and controlling tasks (Appannaiah, Krishna, Raghavan, & Reddy, 2010).

According to Armistead in "Design of Service Operations", the design of a service should be decided based on these basic questions:

> "*(a) What is the 'service package' or 'service packages'?*
>
> *(b) Who are the customers for the 'service package'?*
>
> *(c) What are the standards for 'service package'?*
>
> *(d) How can the 'service package' be given to customers?"*
>
> (Armistead, 1985, p. 51)

The answers to these questions set up the foundation for four elements that are critical to the design of a service: the service package (whether a mix of the physical items and service intangible or pure service and other features), the service package standards, the service producing unit, and the degree to which the customer needs to be involved in the production activity (Armistead, 1985, p. 55).

A framework for producing a service package based on these elements was built up by Sasser, Olsen and Wyckoff as shown below:

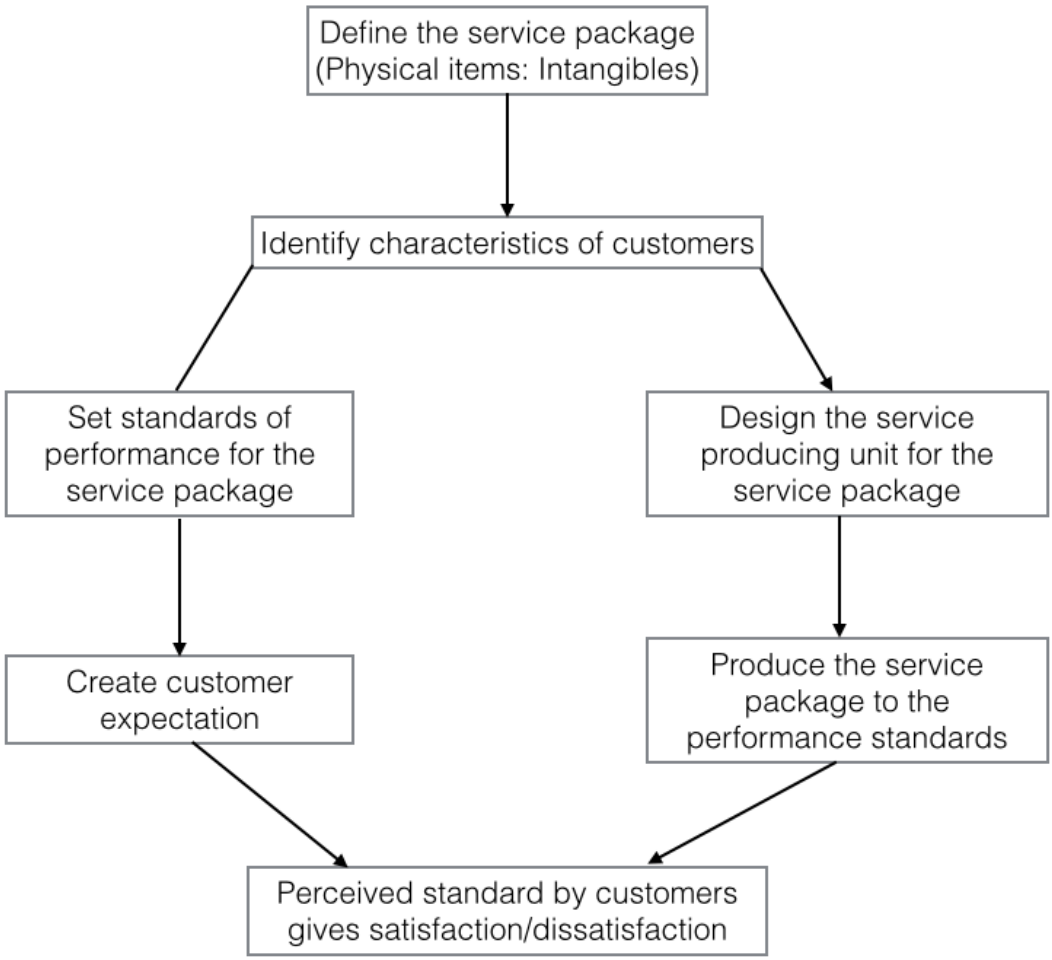

Figure 3. Framework for Producing the Service Package

(Sasser, Olsen, & Wyckoff, 1978)

The service-producing unit is a distinct element in service management because it requires the involvement of customers to some extent. It often falls into two main areas: firstly, that part of the service-producing unit which produces the physical item (e.g. food in restaurants); and secondly, that part which involves contact with the customer; in some cases the two processes tend to coalesce (Armistead, 1985, p. 7). This leads to a very important idea of “back room” and “front room” for the service business (Levitt, 1972). The idea is described through the following diagram.

Figure 4. Service Operations

(Voss, Armistead, Johnston, & Morris, 1985)

"Back room" is where the goods are made (Voss, Armistead, Johnston, & Morris, 1985, p. 9). This part is isolated due to the same advantage as in the manufacturing business: it is easier to "control the operations in this more predictable environment and that it restricts the number of contact people who act as contact personnel"; and indeed the operational management for "back room" activities are very similar to those found in traditional manufacturing operations (Thompson J. , 1967).

The "front office", on the other hand, is where the customer contact takes place (Voss, Armistead, Johnston, & Morris, 1985, p. 9). Certainly, this area is more difficult to control and manage due to the complexity of the interaction process. This consequently creates a challenge in producing this part of the service package at a consistency level (op. cit. p9). In addition to the difficulty with controlling the quality of the service encounter, mistakes occurring are often visible to the customers, and there is often a conflict of control between customers, the contact servers, and the supervision or management (Bateson, 1984). In general, due to the nature of the "front office", in a service organization the more it can increase the back office content of the operations, the greater the degree of control it has (op. cit. p10).

Furthermore, from the framework, it can be seen that the satisfaction or dissatisfaction is created by the difference between customer expectation before the service and customer experience when receiving the service. More precisely, customer satisfaction represents "the difference between the customer's perception of the service at the time of 'consumption' and the customer's prior expectation of what he/she would be like" (Voss, Armistead, Johnston, & Morris, 1985, p. 9). The

management of the way a customer perceives a service experience thus is vital to the production of customer satisfaction. This process is done through that "front office" part of the producing service phase; thus it can be said that the production of a service is also a part of the marketing mix. (Op. cit. p9-12.)

2.2.2 Key areas

The authors of the book "Operations Management in Service Industry and the Public Sector" (1985) have specified several main areas in a service operation: Human Resource Management, Capacity Management, Operations Control, Quality Management, Queuing Systems Design, Material Management, Site location, and Operations Strategy (Voss, Armistead, Johnston, & Morris, 1985). In addition to these areas, this part will also briefly introduce the topic of service marketing.

Human Resource Management

The human resource is the prime contributor to the success of a service operation. On the other hand, it is also a major cost element due to the labor-intensive nature of service operations. In a service operation, in addition to managing the workforce, there is also the task of managing the customers. They are managed as a labor resource or a resource, which has to flow through the system; thus they have to be trained to behave appropriately. For example, in a supermarket customers select and carry the goods to the checkout while in a hospital, patients have to go through different departments. This is a unique aspect of human resources management in service operations. The behavior of staff/operators and customers varies dramatically; thus it creates a great challenge in defining standards and ensuring consistency of quality. The tasks in human resource management include manpower and customer planning, design of job, recruitment, selection and termination, training and development, promotion, motivation of workforce, payment, health and safety, and industrial relations. (Morris, 1985)

Capacity Management

The purpose of capacity management is "to match the level of operations with the level of demand so as to find the best balance between cost and service levels" (Armistead, 1985, p. 109). This involves two main tasks: considering the factors related to from medium to long-term demand; and developing strategies for the use

of resources in order to accommodate changes for short-term demands. There are two main strategies: to *vary capacity*, in which "the capacity is changed to follow changes in demand"; or to *manage demand*, which means to "influence demand to minimize the need to make changes in capacity" (op. cit. p110). The role of a demand patterns forecast is very important: the more accurate it is, the better the planning and arrangement of resources of the operation meet the demand (op. cit. p114).

Operations control

Operations control activities are primarily concerned with ensuring that the service package is delivered to the customer at the right time and in the right place. There are two main areas: the receptionist/despatcher role and the production control role. The receptionist role is associated with contacting and allocating customers, scheduling, and dispatching the service delivery system to customers. A production control role is responsible for activities at the interface between "front office" and "back room". This is the main link between those having high contact with customers in "front office" to those who have little or no contact with customers in "back room". This area is very important if the service-producing unit has to deliver the service package to the customer as and when it is required or promised. (Op. cit. p131-148.)

Quality Management

Quality management is concerned with quality assurance of total service package. This involves activities and functions including designing, specification, and quality controlling in order to deliver the service package in a way that meets the customer expectation (that created by the role of marketing department). Quality management is associated with factors as organization, people, process, facilities, and material. A basic quality control system consists of five steps: (a) Define the stages in the service operation, (b) Specification of variables and attributes, (c) Set limits for the measurements, (d) Measure and assess against standards, and (e) Provide corrective action if necessary. (Op. cit. p137-148.)

Queuing Systems Design and Management

Service is perishable and cannot be stocked, thus a service system cannot use stocks in order to response to the variability of demand. Therefore, queuing system becomes an integral part of service operation. Features of a queuing system include

queue length, reservation systems, queue structure and design, and queue discipline. There are some factors that the manager has to consider when planning the queuing systems: reasonable waiting time for customers, fair in priority for serving, waiting conditions, the numbers of serving channels or serving times, different services points based on categories of customers, and distraction for waiting customers. (Op. cit. p217-225.)

Material Management

Material management covers activities that are associated with obtaining and managing materials. It includes processes of purchasing or buying, stock and inventory, stores controlling and distribution. The purposes of material management are: supplying the service operation with required material, ensuring continuity of supply by maintaining good relationship with existing suppliers and developing new ones, and maintaining inventories at lowest cost while sustaining the level of service. It usually consists of two parts: the purchasing process (determining what/where/when and how much to buy); and the process of looking after materials (through stock control systems, effective stores, warehouse management, materials handling, and distribution). (Op. cit. p235-247.)

Site Location

Site location is a vital part to service business. Especially in multi-site service industries, it is important to develop a systematic site selection procedure. This procedure should identify financial and non-financial criteria for choice. Financial criteria can include breakeven calculation, discounted cash flow analysis and possibly more sophisticated cash flow analysis. Non-financial criteria can include possible supply, potential demand, competition, flow of traffic, and local regulation. (Voss C. , 1985)

Operations Strategy

By definition, operations strategy is a set of plans and policies of an organization in order to meet its objectives. It is often associated with the product life circle concept, which recently has been applied to service industries, consists of three stages: entrepreneurial stage, growth stage, and maturity stage (Sasser, Olsen, & Wyckoff, 1978). A strategy is concerned with the operation structure; the number, size, location of units; the relative split between front office and back room, the choice of

technology; the degree usage of technology; and the degree of vertical integration (Chase, 1978). There are four main operation strategies for service organizations: the strategic location of units, the creation of economies of scale, the development of technology and service differentiation. (Johnston, 1985)

Service Marketing

In the Basic Concepts part, it has been mentioned that the production of the service is a part of the "marketing mix" (Armistead, 1985, p. 12). This brings up a unique characteristic of service marketing – which was called "*interactive marketing*" (Grönroos, Marketing Services: The Case of a Missing Product , 1998). In traditional good-based marketing, the role of marketing is to bridge the gap between production and consumption. However, in the service context, there is no such gap exists; indeed, the *service production process* occurs right between producer and consumer. Hence, marketing becomes part of the service production process. The center of the marketing of service is how the service production and service expectation match to each other, so that consumers perceive good service quality and are persuaded to continue coming to the same service firm. (Grönroos, 2000)

In service marketing, it is very important to understand the metaphor of services as a theater – a framework for describing and analyzing a service experience: "Conceiving human behavior as drama depicts the service experience as a theatrical 'performance' among 'actors" who present themselves in such a way as to create a desired impression before an 'audience', or in what might be termed 'front stage'. Though the 'rehearsal' of performances is away from the audience's view 'back stage', aspects if the actors' presentation can be worked out. " (Grove, Fisk, & John, 2000, p. 28).

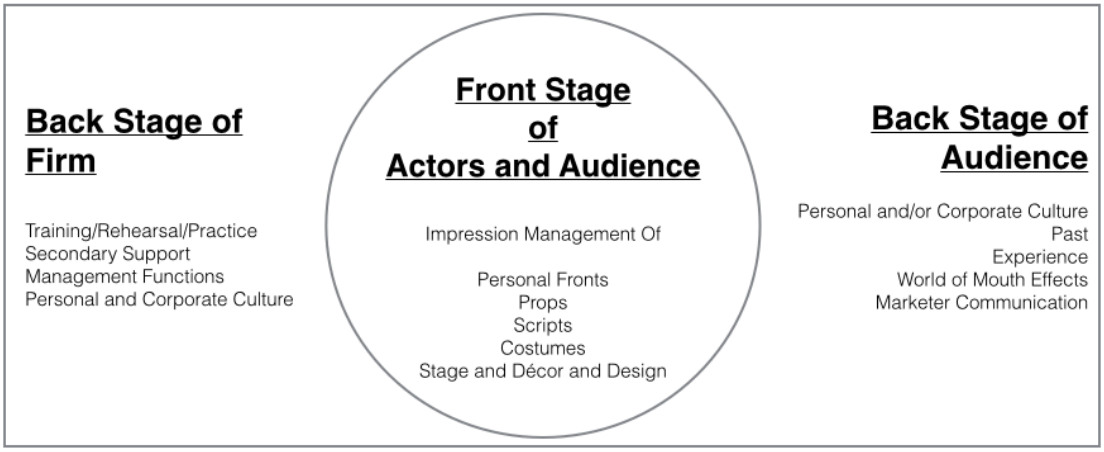

Figure 5. Services as Theater

(Grove, Fisk, & John, 2000)

Four strategic theatrical elements are then translated into service marketing field as:

> *1. The **actors** (service personnel) whose presence and actions define the service,*
>
> *2. The **audience** (customers) to whom the service is directed,*
>
> *3. The **setting** (the venue) in which the service process occurs, and*
>
> *4. The **service performance** itself (the actions that shape the customers' experience).*

(Grove, Fisk, & John, 2000, p. 32)

Furthermore, in order to capture the special circumstances existing when marketing a service product, Booms and Bitner expanded the traditional marketing mix "4 Ps" (McCarthy, 1960) to include other three elements as Participants, Physical Evidence, and Process of Service Assembly (Booms & Bitner, 1981). In addition to Product, Price, Place, and Promotion as traditional "4 Ps", a service firms needs to manage the personnel and customers that involved in service experience, the physical aspects of the service, and the process by which the service is created and delivered. These "three new Ps" have captured these elements, which are analogous to major components of a theatrical production. (Grove, Fisk, & John, 2000)

2.3 Restaurant Management

This part will analyze the external environment of the restaurant sector, the internal or industry environment of the sector along with basic factors and characteristics of the restaurant business, and introduce some key areas in the casual and fine dining restaurant operation management.

2.3.1 External environment

External environment is defined as the macro environment that consists of seven components that have a potential influence on the industry and its competitive environment: economic conditions, demographic, trends of technology, political and regulatory factors, social forces and global factors (Thompson, M.A., Gamble, & Strickland, 2011). This part will discuss these components in the context of Finland.

Economic Factors

According to Statistics Finland, consumers' confidence in the economy slightly weakened in June 2015 but in comparison to the year before, the expectations concerning Finland's economy and unemployment were slightly better (Kangassalo, 2015). This year in July, the employment rate was 0.50% lower than a year before and the unemployment rate was 1.4% higher than last year (Remes, 2015). Nevertheless, the households' wage and salary income rose by 1.2% in June compared to last year (Uuttu, 2015). The producing prices for manufactured products fell by 1.1% in comparison to July last year; due to the reductions in the prices of oil products and food products from July 2014 (Huuskonen, 2015). However, they rose slightly by 0.1% from June to July 2015, which might indicate a positive forecast for manufacturing production this year (Huuskonen, 2015). A better consumer cautiousness, the still weak labor market conditions and a slight gain in manufacturing production may indicate a slight process of an economic upturn, which may improve the outcome for all industries including food service and restaurant sector.

Demographic Factors

According to the *Time Use Survey* (2013) from Statistics Finland, eating at a restaurant is distributed unevenly among the citizens. The age group that eats at

restaurants most often is those aged from 25 to 34 years, who live alone or are childless couples. Also according to the author, income seems to play a role in choosing an expensive and high-quality restaurant, but it does not play a major role in visiting fast-food places, pizzerias or ethnic restaurants. However, even enjoying a good income, the ageing people – who are 45 years old or older – do not seem to come to restaurants frequently at all. Thus, the frequency of eating out is affected by other factors rather than just income. Furthermore, at a national level, the time spent at restaurants has declined steadily from what it was thirty years ago. (Varjonen, 2013)

Trends of Technology

Going mobile is a technology trend in the restaurant industry. The use of smartphones and the ability to access restaurant booking system allow customers to make reservations without phone calls as well as the restaurant operators. Another trend is “check in services” like Foursquare that represents the "context-aware” type of advertising and appeals to customers because of its sophistications. Furthermore, a payment system such as the Google wallet, which can store all the credit cards and loyalty cards and enable redeeming of promotional offers, helps to speed up the payment process while still secure customer information. (Ban, 2012)

Political Factors

In terms of policies and regulations that can affect the restaurant industry, one has to mention the alcohol policy. The Finnish parliament introduced the prohibition act for the first time in 1970, but then the act was reversed in 1932. After that, a new law was set up in order to give the trade, import, and production monopoly of alcohol to Alko – The Finnish Alcohol Company. The monopoly also covered the establishment of licensed restaurants, prices, and rules concerning the serving of alcoholic beverages. This monopoly has still been in force, but with more liberal policy. However, this still places the Finnish restaurant industry under severe restrictions. (Häkkinen, 2010)

There is other current legislation that affect negatively on restaurant business. For instance, the rates of VAT tax charged on food restaurants has been reduced recently to 14.0%, which was a good move, but still high, for example in comparison to Sweden with 12.0% (Worldwide Tax, 2015). In general, the income tax is also at a

high level, and there is no policy supporting young workers (under 26 years old) – who contribute mostly to restaurant industry's workforce – in comparison to Sweden supported policy on the same issue (Vihmo, 2015).

Sociocultural Factors

Sociocultural forces includes attitude of the society and changes in people's preferences and lifestyles (Ban, 2012).

There used to be a time people perceived that restaurants were only to serve food or for schools to teach children about civic manners, and they were not designed to be a place for any entertainment. This perception was shaped mostly by Alko – The Finnish Alcohol Company. Later on, Finnish society had changed significantly, and Finnish people began to desire a change in restaurant scene that gradually led to a new concept of restaurants that very similar to nowadays. (Häkkinen, 2010)

In terms of changes in lifestyles, it is obvious to see that people are looking for more healthy, organic and freshly prepared food, which lead towards premium products and values. Another trend is that people prefer to eat at home instead of going out, which is resulted from the consequences of the economic depression. (Ban, 2012)

Furthermore, there are three main occasions for Finnish people to eat out: eating on working days, eating while travelling and eating out in free time. According to a study on the trends of eating out, about 40.0% of all meals taken at restaurants were work related, about 43.0% of them are eating while travelling, and the rest for eating out in free time. (Varjonen, 2013)

Global Factors

Global forces are associated with economic situation in the world, which appears to slowly revive and demonstrate healthy indicators. Moreover, the change in climate can also influence the industry. The environmental issues lead to the urge of reducing water consumption and raising emission tax. This in general can increase the operation costs for businesses. (Ban, 2012)

2.3.2 Industry environment

In order to analyze the industry environment of restaurant sector, the Porter's Five-Force Model is applied. This model enables to identify different forces and factors

that bring about competitive pressure (Thompson, M.A., Gamble, & Strickland, 2011).

Figure 6. Forces Governing Competition in an Industry

(Porter, How Competitive Forces Shape Strategy, 2008)

Rivalry

The restaurants industry's competition is highly intense for the following of factors. First of all, it is in the nature of the business that it offers perishable products, that creates strong temptation to cut prices which leads to price competition (Porter, 2008). Moreover, each restaurant has their own theme and food style, which means that rivals are diverse in strategies and "personalities", which creates differentiation (Porter, 2008). Furthermore, when distinguishes between chained and independent sectors, chained full-service restaurants, such as S-Group, Rosso, and Amarillo, has great performance last year with 5,0% increase in numbers of outlet (Euromonitor International, 2015). These well-known restaurants regular update menus and

concepts, and develop large customer loyalty bonus program and other special offers and discounts. This creates a huge pressure on independent sector.

Threat of New Entrants

For the restaurant industry, the economies of scale are not major barriers, though they might play an important role for chained restaurants. Brand identification and customer loyalty barriers are possible to overcome by product differentiation as consumers naturally have a tendency to look for a different dining experience (Euromonitor International, 2015). Capital requirements are varied depending on the scale of restaurants. However, it can be assumed to be low as it can be seen that restaurants are a common form of start-ups for small business and immigrants. Finally, government policy might directly affect new entrants by several policy requirements such as alcohol license requirement, food hygiene standards and environmental policy concerning trash, air and water management.

Bargaining Power of Suppliers

The restaurant industry is certainly an important customer of the supplier group. They often make up a big fraction of the supplier's sale, so that can weaken the bargaining power of suppliers, according to Porter (Porter, 2008). However, it is possible that the market is dominated by a few supply companies, due to the typical difficulty in cultivating and providing food in Finland. Thus, the supplier group might have stronger bargaining power over restaurants.

Bargaining Power of Buyers

The buyers' bargaining power is strong, because there is no switching cost for customers when choosing different restaurants to dine. Moreover, nowadays consumers have a tendency to pay more attention to the quality of the food, such as healthy ingredients and fresh prepared food, which means they are less price-sensitive (Euromonitor International, 2015). That can also strengthen their power.

Threat of Substitutes

Threat of substitutes is quite strong because there is no switching cost for consumers to change the place to dine. The price, quality and product performance varying significantly are also one reason that customers want to make use of the difference and switch over. Actually, there is already a wide range of substitutes available in the market.

2.3.3 Classification

Food and beverage operation consists of many areas in which restaurants is only one part. Figure 10 describes the food and beverage industry breaking down into sectors.

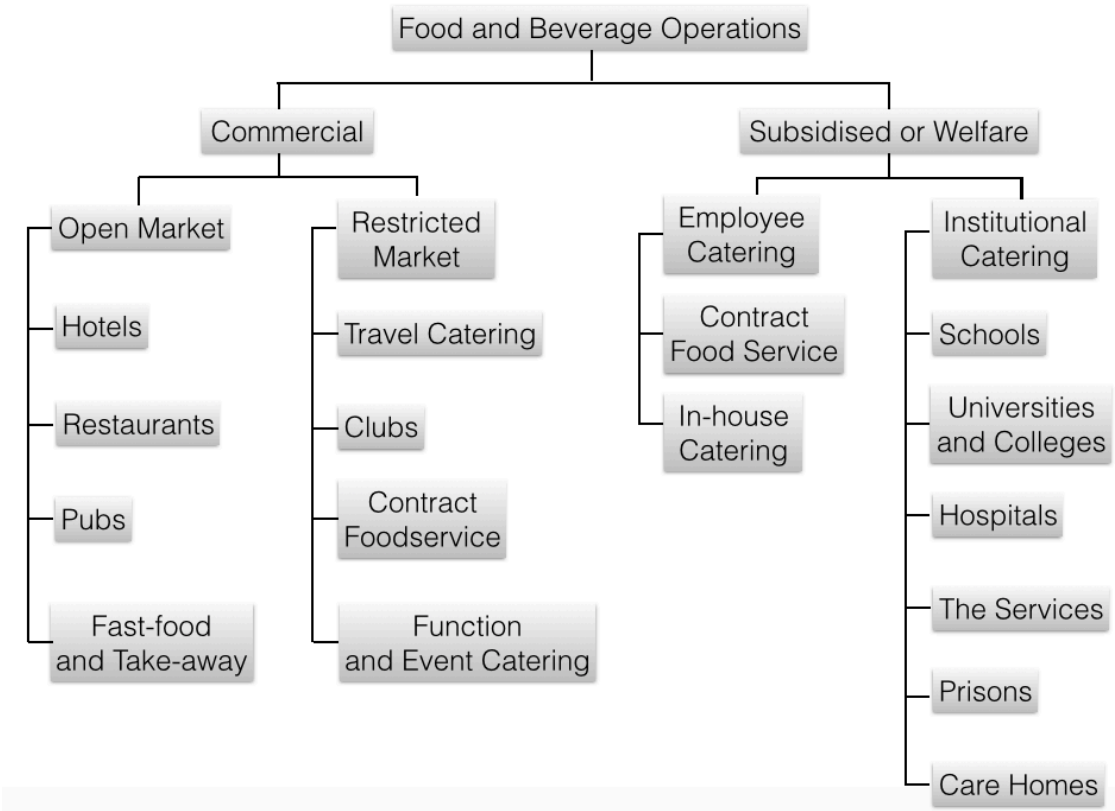

Figure 7. A Classification of Food and Beverage Operations

(Davis, Lockwood, Alcott, & Pantelidis, 2012)

There is a broad distinction between cost and market orientation across sectors in the industry. A market oriented business often has a high percentage of fixed costs, unstable market demand, and relies on increasing in revenue rather than decrease in costs to contribute to profit levels. A cost oriented business often has a lower percentage of fixed costs, relatively stable market, and relies on decreases in costs rather than increases in sales to contribute to the profit levels of the establishment. In the main, most hospitality establishment falls into one of those two categories. However, in some areas it might be hard to precisely define as they can display characteristics of both orientations at different times during their business. However, in most cases, full-service restaurants are market oriented due to the characteristic

of high fixed costs and unstable demand. (Davis, Lockwood, Alcott, & Pantelidis, 2012, pp. 45-56)

2.3.4 Internal issues

The external factors that can affect the operation of full-service restaurants have been discussed in the previous part. This part will lists the internal factors and problems likely to arise in each factor in a restaurant organization, according to the book "Food and Beverage Management" by Davis, Lockwood, Alcott and Pantelidis (2012).

Food and Beverage

- Perishable of food
- The need for adequate stock turnover
- Wastage and portion control
- Shrinkage from kitchens, restaurants, and stores

Staff

- Staff shortages or skill shortages
- Managing staff levels to match peaks and bottom of sale periods
- Absenteeism, illness, etc.
- Use of part-time or casual staff
- Lack of or poor supervision and training of new staff
- High staff turnover

Control

- Cash and credit control and collection
- Maintaining costs in line with budget guidelines and current volumes of business
- Keeping a tight and efficient control of food and beverage stocks
- Up-to-date costing and pricing of menu items
- Managing efficient food and beverage control system to analyze statistical data and performances.

(Op. cit. p73)

2.3.5 Main areas

This part will introduce and briefly explain some key areas and factors in operations of a full-service restaurant establishment.

Meal Experience

"Meal experience" is defined as "a series of events – both tangible and intangible – that a customer experiences when eating out" (Campbell-Smith, 1989; Davis, Lockwood, Alcott, & Pantelidis, 2012). In order to satisfy customers, the type of meal experience offered by a food service facility must be tailored to match the requirements and expectations of the customer. The basic step is to identify the market segments: who are the customers and what do they want. Then there are several aspects that the manager can look at in order to determine what should be done. These aspects are: type of food and drink, variety in menu choice, level of service, price and value for money, interior design, atmosphere and mood, expectation and their identification of restaurants, location and accessibility, and service employees. Above all, it is important to note that requirements from the same customer may vary from one meal experience to another. (Davis, Lockwood, Alcott, & Pantelidis, 2012, pp. 82-90)

Financial Implications

The financial tasks of a restaurant manager are quite similar to other businesses including: cost control, cash flow management and purchasing decision-making. Cash management plays a significant role especially to small businesses like restaurants (Wallace & Forte, 2008). While it does not apply to every case, most full-service restaurants are market - oriented and they often have financial policies following that. The percentage of fixed costs is often much higher compared to the percentage of variable costs, so that a drop in sales will affect significantly the profitability of the establishment. (Davis, Lockwood, Alcott, & Pantelidis, 2012, p. 105)

The Menu

Menu is the key marketing and selling tool for restaurants. It communicates a wide range of information to customers through the words used, colors, layout, quality of material used, and styles. The menu, together with other physical attributes, creates a level of expectation from customers that should be matched by the meal experience. Creating a menu includes aspects such as Menu Content, Menu Design (such as theme, typography, colors, graphics, shape, and materials, layout of the menu, size and form), and Menu Pricing. Menu content is the most important attribute. When arranging the content, the popularity of menu items and favorability of customers across items should be taken into consideration so that the best selling items are well emphasized. Moreover, it is important that the staff is educated and trained to obtain the menu knowledge so that they can provide good advice to customers. (Davis, Lockwood, Alcott, & Pantelidis, 2012, pp. 127-135)

Facility Design and Layout

Typically, restaurants allocate about 40 to 60 percent of their space to the dining area, about 30 percent to the kitchen and preparation area, and the rest for storage and office space (Jacquelyn, 2001, p. 36).

The customer service area in restaurants, referred to as “front of house”, is designed based on the level of service, and more often it is expected to allow far more space per seat in Fine Dining and Casual Dining restaurants, compared to others such as fast-food operation. The kitchen, referred to as “back of house”, typically includes: a cold preparation section for the assembling of appetizers, salads and desserts; a cooking station where main courses are cooked; a hot plate area to plate dishes; a dishwashing area; and a suppliers area for food storage and linen. (Davis, Lockwood, Alcott, & Pantelidis, 2012, pp. 210-212)

Inventory

The basic stock has to fulfill two functions: first is to provide customers with reasonable assortment of food products, and second is to cover the normal sales demand of the business (Jacquelyn, 2001, p. 97). In terms of purchasing, it should be

noted that different categories of product require different strategies for procurement, for instance most straightforward are branded goods, and most difficult are fresh seasonal produce (Davis, Lockwood, Alcott, & Pantelidis, 2012, pp. 131-134)

Production

Production process is closely associated to cost control and capacity management. The daily running costs of food, labor and fuel have to be strictly planned and controlled. The capacity management is involved with material handling, staffing levels and facilities. Moreover, production management is concerned with supervision management, hygiene and safety standards, and cleaning and maintenance tasks. The production process is often involved two systems: cook-freeze production and cook-chill production. (Op. cit. p192-195.)

Production Control

Production control functions as a guidance and regulation for the costs and revenue of operating catering activity in a restaurant. The objectives of a control system are the analysis of income and expenditure, establishment and maintenance of standards, pricing, prevention of waste, prevention of fraud, and management information. Basic concepts in production control are: production planning (volume forecasting); standard yields (measurement of usable parts of products after initial preparation); standard recipes (the written schedule for producing a menu item), and standard portion size (the standard quantity of a food item that will be served). The production control can be done manually or by software system. (Op. cit. p152-157.)

Quality Management

Quality management is a system built for controlling and maintaining the quality in order to meet the satisfaction of customer needs. In other words, the system works to keep the consistency of product and service performance to customers, the so called “meal experience”. (Davis, Lockwood, Alcott, & Pantelidis, 2012, p. 178)

Figure 11 describes the total features and characteristics of a meal experience.

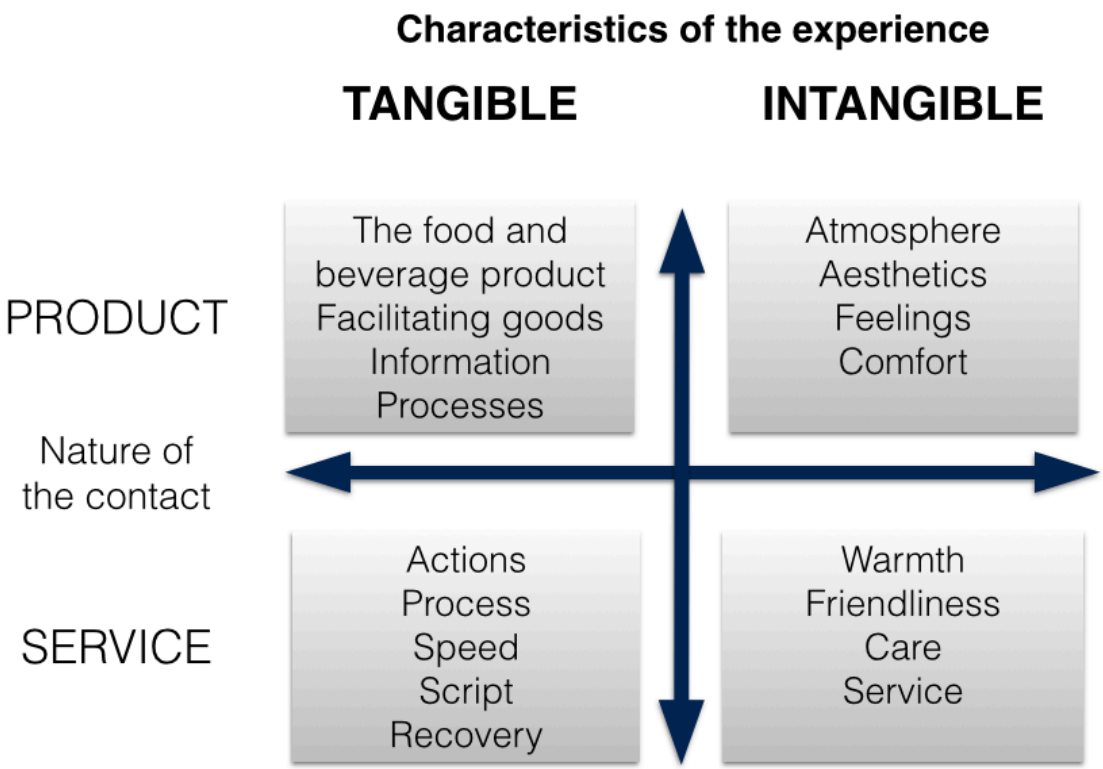

Figure 8. The Food Product/Service Matrix

(Davis, Lockwood, Alcott, & Pantelidis, 2012)

This matrix is applied when setting up a standard experience to be achieved as well as for examining the existed performance of a restaurant (Davis, Lockwood, Alcott, & Pantelidis, 2012). On the other hand, the quality management takes place across many operation processes of a restaurant. One basic tool to use is the cycle of quality management. The quality management cycle was developed based on the Deming PDCA (Plan-Do-Check-Act) (Deming, 1982). It consists of four main steps of Plan, Do, Check, Act and issues associated with each step. Figure 9 illustrates the cycle as shown below.

Figure 9. The Quality Management Cycle

(Davis, Lockwood, Alcott, & Pantelidis, 2012)

The essential of quality management is to design quality control into the process instead of waiting for mistakes to happen. There is an increasing numbers of companies that use quality control in order improve the standards of services and products delivered to customers, and companies that do not use one find it hard to compete in the market. *(Davis, Lockwood, Alcott, & Pantelidis, 2012, pp. 178-179)*

Marketing

A unique characteristic of the service business is that the service product is consumed at the point of production. Thus the production unit of service is part of the marketing mix (Armistead, 1985, p. 12). In other words, marketing is a supporting

part of the production process (Grove, Fisk, & John, 2000, p. 59). The marketing mix of restaurants, inherently from service marketing, consists of "7Ps": Product, Price, Promotion, Place, Process, Physical Evidence, and Participants (Davis, Lockwood, Alcott, & Pantelidis, 2012, p. 15). While most of these components are in the production process, the price and promotion are the two components that can be done before the "production-consumption point" in order to attract consumers to the restaurants, in which the promotion is more important. Common promotion methods are advertising, public relations, merchandising, sales promotion and personal selling (Davis, Lockwood, Alcott, & Pantelidis, 2012). Online and social marketing is the trend now: online reviews have become popular as well as social media discounts (Groupon Works, 2013).

Staffing

There are several categories of personnel in a full -service restaurant: manager, cooks, servers, bus persons (persons who set up and clear tables), dishwashers, hosts (persons who seat guests, take reservations and act as cashier), and bartenders. Cooks can include at least two full-time cooks for work days and evenings, in addition to part-time cooks who help during the peak hours and in slow periods do simple preparation. In some restaurants, the chef hired is a celebrity chef, which creates a marketing attraction to customers. In a full-service restaurant, typically the payroll costs should be about 24 to 35 percent of the total gross sales. (Jacquelyn, 2001, pp. 78-85)

The tasks of staff management include recruitment, staff training, staff schedule, supervision, and staff motivation and retention (Davis, Lockwood, Alcott, & Pantelidis, 2012).

Suggested Key Success Factors

According to the IBISWorld, there are several key factors that contribute to the success of a full-service restaurant including:

• Ability to react fast and adequate to the changes and regulations in the areas of food safety and handling;

• Accessibility to multi-skilled and flexible workforce in order to meet customer seasonal demand;

• Ability to control stock on hand especially by utilizing cost control

• Adaptability of new technologies, which can increase profitability and lower the cost of labor

• Proximity to key markets by following customer's preferences of a favorable location to increase guest traffic.

(Ban, 2012, p. 23)

2.3.6 Theoretical Framework

The theoretical framework is the combination of concepts taken from the review. It is illustrated as the following map.

Figure 10. Theoretical Framework for Research Design

The framework starts with the concept of Key Success Factor and its classification depending on two dimensions: *conjunctive/compensatory* and *changeability.* The success factors are then categorized by the main areas in restaurant operations ranging from back room to front office – using concepts from service management. The diagram then is placed under the industry and macro environment's influence. This framework is applied to conduct the research, which is further explained in the next chapter.

3 METHODOLOGY

3.1 Research approach

According to Denzin and Lincoln (2005) in their book *The Handbook of Qualitative Research,* the definition of qualitative research is as the following:

> *Qualitative research is a situated activity that locates the observer in the world. It consists of a set of interpretive, material practices that make the world visible... At this level, qualitative research involves an interpretive, naturalistic approach to the world. This means that qualitative researchers study things in their natural settings, attempting to make sense of, or interpret, phenomena in terms of the meanings people bring to them*.
>
> (Denzin & Lincoln, 2005, p. 5)

Creswell (2007, 74) also referred to qualitative research as any kind of research that pursuing findings without any statistical methods or quantitative means. According to the same author, qualitative research studies processes and provides meaningful interpretation in order to describe and understanding phenomena. While quantitative research is based on numbers, qualitative research applies narrative outcomes. A direct contact between the researcher and the respondent in the right context is part of qualitative research. The researcher acts as an instrument in the data collection and analysis processes, which become results of the study. The

research methods for collecting data are observation, different interview methods, written material, action research and case studies. (Creswell, 2007).

In this study, the author aimed to to find out some hypotheses about the subject. Considering the success in restaurant management practice as a phenomenon, this task involves exploring and describing the factors contributing to the success. It is more of a description task than a measurement task. Based on that, the author was convinced that qualitative research is the suitable approach for the research.

3.2 Data collection

In this qualitative research, interview was chosen as the research method. The purpose of the interviews is to explore and reveal the factors that contribute to the success of a restaurant. In order to achieve that, the author aimed to interview the restaurant managers of "successful" full-service Finnish restaurants. The reason for choosing managers to interview is that they are the key actors in restaurant business and they have practical experience in restaurant management.

The author chose semi-structure as the interview format. This means that the interviews were not highly structure as a case of interviews that consist of all closed-ended questions, nor totally unstructured where there is no existing script or set of questions. In semi-structured interviews, interviewers offer topics and some questions to interviewees, but they are designed cautiously in order to elicit the interviewee's ideas and opinions of interest, as opposed to leading interviewees toward preconceived choices. The reason for choosing the method is that it provides more in-depth answers and more flexibility for interviewers' follow-up questions. (Zorn, 2005).

The aim was to choose as well-performed restaurants as possible, for the topic involving critical success factors. In order to do that, the selection of the restaurant managers was carried out based on their restaurants' ranking in Finland and the number of years in operation. The ranking reveals customers' preference of a restaurant and show its popularity by providing a certain number of visits paid to the restaurant in comparison to other restaurants in the region. This attribute thus might be used as a success indicator to assess the level of a restaurant performance instead

of the profitability numbers, which were hardly possible to collect. The ranks of restaurants were referred from reliable online review sources, such as Trip Advisor, Lonely Planet, and Foursquare application. Furthermore, the number of years in operation was considered important as well – the older the better, as it could be seen as an evidence for the success of the restaurant and indicate a great number of years of experience of the manager. The years of operation were collected from the same sources mentioned, as well as from the restaurants' websites.

The researcher conducted two interviews. Both were one-on-one interviews. The interviewees are restaurant managers of two restaurants in Jyväskylä. The first interview was with the manager of *Figaro Restaurant*. *Figaro* is a 90-seat restaurant located in an old stone building in the center of Jyväskylä. *Restaurant Figaro* has been named as the top-choice restaurant in Finland by Lonely Planet (Lonely Planet, 2014). It has been also granted the Chaîne des Rôtisseurs plate – an award from the famous International Association of Gastronomy Chaîne des Rôtisseurs – in June 2010 (Ahonen, 2014). The *Figaro Winebistro* was Finland's best wine restaurant of the year in 2012, 2014, and this year 2015 (Numminen, 2015). The restaurant has been operated since the year 2000. The manager has started to work in the restaurant since 2005. He has educational background in restaurant management combining with economics and marketing and sales. He has twenty-two years of working experience in the field.

The second interview was conducted with the manager of *Vesilinna Restaurant. Vesilinna* is located at the city's top ridge "Harju hill" offering an exceptional panoramic view of the city. The restaurant has been highly ranked in most of the reviews, especially well known for its rich and unique wine collection. The restaurant has been in operation for over fifteen years. The manager has been the director of the restaurant since then. He has educational background in restaurant and hotel management, and customer service management. He has been working in the field for over twenty years. [1]

Before the interviews, the potential questions and topic sections for interviews were designed along with a coding system. The topic sections, also called "themes," were created based on the theoretical framework of the research. There were about two

[1] The genders of two managers are fictional.

to five questions for each theme. The questions were both closed and open-ended questions. The lists of codes and interview questions can be found in the Appendices. The time frame was carefully taken into consideration when setting the questions. The interviews were recorded by recording device and transcribed later on.

In qualitative research, there is no right number of interviews. However, identifying and getting access to the right kind of people and planning how many to interview is important. The quality of the information, together with the length and depth of the interviews, are the key factors. It is important to interview as many people as necessary to gain enough knowledge about the subject. During the interviews, when the same information begins to appear repeatedly and the interviewer learns less and less from each interview, the topic is covered completely. (Brennen, 2013, pp. 28-30)

Considering the interviewees' relations to the topic, the selection was valid for the research. The two interviews, while exposed a few different points, revealed quite the same content about the subject. Moreover, the interviews were long and comprehensive enough to give sufficient data to the topic. Therefore, the author decided to finish the data collection process and started the analysis.

3.3 Data analysis

The analysis approach is called *the systematic procedures*, using *constant comparative* method of data analysis. It was developed by Strauss and Corbin (1990), and can be described as a "zigzag" process: out to the field to collect information, into office to analyze the data, back to the filed to gather more information, into the office, and so forth (Strauss & Corbin, 1990).

As mentioned above, a system of coding was developed before interviews representing the themes according to the theoretical framework. This pre-set coding system was used when creating the questions before the interviews as well as coding the data collected after the interviews. After the first interview, the researcher began to transcribe and analyzed the collected data right before conducting the second one. This method allowed the researcher to improve questions and develop better approach for the next interview.

The first interview was transcribed from recording device into a Microsoft Word document. After transcription, the next process was the data reduction. Data reduction refers to the process of "selecting, focusing, simplifying, abstracting, and transforming the data that appear in written up field notes or transcriptions" (Miles & Huberman, 1994). The data was read through from the Word document and the researcher identified relevant texts according to themes (codes) and marked them in different font colors. These texts were then copied to an Excel document categorized according to their codes – the document is basically a table consisting of two columns: code and text. Then the sorting function of Excel was used to sort the "code" column, in order to present the texts code by code. The table then showed all relevant texts from the transcripts according to each code. The author then identified and analyzed each theme according to the theoretical framework. Then the author emerged the categories according to the information gathering from the first interview. After conducting the second interview, the same process of transcription and reduction was carried out. The author then compared and contrasted the data from both interviews to the theory and created points of view interrelating to the theoretical framework. The results were then displayed by themes in the result section. The list of codes is included in the Appendices.

3.4 Verification of results

Many perspectives exist regarding the validation in qualitative research. This study will apply the criteria developed by LeCompte and Goetz (1982), who have searched for and found qualitative equivalents that parallel traditional quantitative approaches to validation (LeCompte & Goetz, 1982). The system is included four criteria: internal validity, external validity, reliability, and objectivity.

Internal validity refers to the truth-value of the research, whether the findings of the study make sense and if they are credible to the research community and others (Miles & Huberman, 1994). The author tried to achieve that by establishing good links between categories of theory and the data, building explanations, and checking for coherence of concepts throughout the study (Yin, 2003).

External validity refers to generalization and transferability of the study, whether the findings can be transferred to other contexts and how far the findings can be

generalized (Miles & Huberman, 1994). The most central to generalization in qualitative research is that it relies on “the descriptive representativeness of the sample (or set of participants or settings on which data are actually collected)” (Flick, 2014). Sampling, or selection strategies, is the central of this issue, whether the sampling people, settings, events, and processes, can be the representative for the population (Miles & Huberman, 1984). The author aimed to generate generation about Finnish full-service restaurants from the collected results. In order to do that, the author carried out the selection process cautiously to achieve that the selected interviewees were the right sample for research. The restaurants selected were full-service Finnish restaurants, which are located in Finland, owned and operated by Finnish. They are high ranked restaurants in Finland; and both have stayed for over fifteen years in business. The managers of these restaurants, as interviewees for the research, have rich educational background and practical experience in the field. The author considered that these restaurants can represent successful full-service Finnish restaurants, and the data taken from the managers of these restaurants are reliable to the research. Moreover, the author took the issue of representativeness to the data analysis process to see if the factors mentioned by the interviewees carried the country-level attributes and could be generated to national scale (Flick, 2014).

Reliability refers to the consistence and stability of the study process over time and across researchers and methods (Miles & Huberman, 1994, p. 278). In order to achieve it, the author obtained field notes by employing a good-quality tape for recording and when transcribing the tape, kept in mind that the tape needs to be meticulously transcribed and noticed “trivial, but often crucial, pauses and overlaps” (Creswell, 2007). Moreover, to gain more reliability for the study, the author also cautiously approached the data sources and chose reliable and trustworthy documents to extract information from (Howell & Prevenier, 2011).

Objectivity refers to the “relative neutrality and freedom from unacknowledged researcher bias, or explicitness about inevitable bias” (Miles & Huberman, 1994). To enhance it, the author clarified her bias from the outset of the study so that she understood her position and assumptions that impact the inquiry (Merriam, 1988). Moreover, the author tried to enhance objectivity by making compliance between the data and theory along the analysis process in order to minimize subjectivity.

4 RESULTS

In general, the two interviewees presented similar viewpoints about the basic functions and critical factors in operation. However, in some areas they had different approaches and ways of conduct. The results are discussed according to the themes that associated with the theoretical framework. The order of the themes is organized differently from the order in the theoretical framework in order to highlight the importance of certain themes and to give a comprehensive flow of information.

4.1 Strategy

Both restaurants set a very clear strategy to differentiate themselves from others. The competitive level was seen to be tough and much heavier than a decade ago when there were only a few places. The strategies set by them differ widely.

One restaurant relies on its location as the core competitive advantage as the top hill location of the restaurant offers an outstanding view of the town. According to the manager of the restaurant, the styles of the place and the furniture have been kept unchanged for almost all the years. The manager intends to keep the same style, simple, classical and “throughout the years”, in the dining room so that it draws customers’ attention to the scenery through the windows and the sophisticated visual of the plates. Controversial enough, the manager also perceives its location as a disadvantage compared to other competitors. The reason is that its location is not as easy to be reached as other restaurants in the downtown area. It is a minus point to the locals that the restaurant is far away.

The other restaurant, on the other hand, focuses on creating a new dining experience. The restaurant organizes many events and happenings around the year to promote exotic and special cuisine from Finland and other countries. For example, the manager created a special month event by inviting a celebrity chef from Helsinki to own the kitchen together with his crew and that attracted almost one thousand customers. Recently the restaurant offered the tasting of dishes made of Kobe beef from Japan for one month. The manager believes that people love new things, which is the core of their strategy. The restaurant always tries to be ahead of their competitors in updating trends and creating new offerings to customers. Another

director of the restaurant is frequently on travelling and getting new ideas to bring back to the restaurant. This strategy is very distinguished but it undeniably demands a lot of hard work and investment.

Both of the managers recognized the indispensable role of strategy in their positioning of today. Even though the level of focus and investment on strategy by each restaurant is different, they intentionally set out clear strategies and actively pursue them. Furthermore, they keep on being alert to what the other competitors are doing differently or what is trendy in the market.

4.2 Production & Control

The production part involves closely with purchasing and inventory functions. This includes processes of planning the volume, ordering raw materials, inspection and handling materials, prepare uncooked materials, doing portions to serve clients, managing waste and standard yield. This costs most of the time because for the two restaurants, they prepare everything from scratch and purchase no ready-made food.

Furthermore, the production process includes the task of renovating recipes. The process consists of cooking and tasting of food, tasting of wine, and trying food and wine combination. In one restaurant, the process is carried out four times a year in order to create a new food and wine menu. The manager called it “product development”. However, this task has not been given enough time recently, according to the same manager, which should be improved.

Answering to the question of what makes a dining restaurant succeed, both managers emphasized on “the quality of food”, or “good food” as the most important factor. First of all, it is necessary to note that in this context the term was used to indicate the well-taste level of the food, the wine, and the combination of food and wine. It does not refer to the quality of raw materials (even though it goes hand in hand). It might be more precisely called the quality of food products that served to the customers. Both managers stated this factor as the basic – first and foremost thing. They have the same philosophy that the taste is the most important thing in a restaurant. According to one manager, it has been researched about which

aspect of restaurant food matters the most to Finnish people. The result showed that the taste counted for more than fifty percent, the visual of the food counted for more than twenty percent, and the rest of less than twenty percent counted for the technique and other aspects. Thus, the quality of food products is clearly the focus of both managers. The production and production control is the direct process to produce the food product. Correspondently, both managers highly concentrate on this area.

4.3 Inventory

Both restaurants try to use the local ingredients as much as possible, and by the term "local" the interviewees referred to Finland. One difficulty in purchasing is the availability of ingredients for the reason that the growing season is fairly short in Finland. While fish and meat are mainly purchased from Finnish farms, vegetables and other ingredients are purchased from other parts of the world.

For one restaurant, purchasing fresh and seasonal products is of a great concern because of the large volume in demand. In order to handle it, a large amount of purchased raw material has to be frozen in good portions. The manager of the restaurant also emphasized about the importance of good quality raw material. For his restaurant, he usually purchases the best raw material even though it is more costly. This is done in order achieve the difference in the taste and in the overall quality of the food served. It helps to differentiate his restaurant from the others.

Another problem for both restaurants is about suppliers. It is not difficult to find suppliers, stated by both managers. There are many suppliers and they actively approach and contact the two restaurants. Even for exotic raw material, the suppliers actively approach these restaurants and do marketing for themselves. The challenge, however, is to find the consistency from suppliers to provide the food in demand. This happens especially for fresh and seasonal food material. This also affects the menu: some dishes cannot be put on the regular menu due to the instability of suppliers. Consequently, both managers have to constantly seek for suppliers in order to secure themselves from disruption. However, there are also many suppliers that keep working with the restaurants for years. This creates a long

relationship between the buyers and sellers, which significantly enhances the purchasing performance, especially for wine import.

4.4 Menu

Both restaurants offer regular and seasonal menu. For one restaurant, the regular menu remains quite steady over time, while the seasonal menu often varies depending on new trends happening in restaurant business as well as on the availability of raw material. The other restaurant updates their regular menu about four times a year. There are also extra events and happenings that require another special set of menu. The manager of the restaurant highly emphasized on the importance of innovating menu frequently in order to achieve the best result. Moreover, they also have different approaches to the wine menu. One manager likes to keep it steady and try to choose type of wines that are friendly to customers. The other manager focuses on the trendy wines and frequently updates the wine collection. Every time the food and wine menu is updated, the manager gives other staff education about the new types of food and wine and together they create the combination of them.

4.5 Staff

As mentioned above, the first factor of a successful restaurant according to the interviewees is the quality of food product. The second factor is human resource. While both managers affirmed the significance of human resource, one of them faces more serious problems in turnover compared to the other.

Both agreed that the challenge of staff management is to find the right people, which is a very hard and long process. According to one manager, in this area, there are many professionals available and also good trainees from schools who are willing to do practical training. However, while the basic mechanical work can be easily learned, the right kind of attitude is more difficult to obtain. This skill is more of naturally born; otherwise it is very hard to learn, though possible. For the purpose of getting the best people, it usually costs the manager a long and expensive process of recruitment. For the other manager, he shared that the restaurant staff should be

polite and friendly, and the most important thing is that they must respect customers. This not only applies to waiters and waitresses but also kitchen staff, administration staff and others. To him, a restaurant must make sure that they have the right workers. As a result, the manager himself put a lot of investment into it.

However, according to one manager, another challenge, which often arises after obtaining the right people, is to keep them stay with the business. When a restaurant finds a good worker, the other competitors are also interested so that they try to take the worker from that restaurant. Consequently, if one restaurant changes a worker, for example its chef de cuisine, the whole rotation starts to go around the market and it forms a fluctuation in the workplaces. Moreover, in the modern days, people are not committed to one place. Instead they want to have experience in several working places or in different jobs. It often happens that people want to move to other areas in the Southern part of Finland to get more experience. Another reason might be the high-demanding nature of working in restaurants. The working time is long and exhausting everyday. People with family or kids often find it too hard to manage that they have to quit.

On the other hand, the turnover is usually a loss, but sometimes it can be a good thing, stated by the same manager. He regarded it as “getting new blood”. It enables him to get new ideas, new views and new ways of doing business. Related to this topic, the manager mentioned about the diversity of nationality in his kitchen, which includes Finnish, German, Russian, and Italian. This creates a cultural richness in the working environment, and so far it has positively influenced the performance of the restaurant. For example, the kitchen staff creates an international twist to the Finnish authentic cuisine, which has received very good feedback from customers. However, in spite of these benefits, the turnover still remains as a serious problem to the manager. This problem happens every year either in the dining room or in the kitchen. This costs the manager a large amount of time and money, and sometimes causes disruption in the operation of the restaurant.

Above all, both managers stated that the team effort is the key to success. They repeated that everybody working for the company needs to understand the goals and working towards the same direction with the same code of conduct. The managers try to achieve that through communication with the team on daily basis.

According to both of them, great staff combining with a pleasant atmosphere can create what the interviewees called “a good service”. A good service and a good quality of food products are two fundamental elements of a successful restaurant, stated by two managers.

4.6 Marketing

Both restaurants target regular customers, clients (such as companies and organizations) and tourists. The regular customers are the locals. They are mainly people aging from forty to fifty years with their families. However, nowadays, younger people also tend to come. The regular customers make up the largest part of total customers of the restaurants. The second large part is the clients. Clients make up the customer segment that comes to restaurants for business reason, for example companies, universities, insurance companies and so on. This sometimes can require a catering function with a high profile. However, this segment has declined recently due to negative economic factors, according to one manager. The last segment is tourists and visitors. These customers mainly come in the summer and sometimes in the other seasons. They can be Finns or foreigners alike.

The next part will analyze the marketing strategy of each restaurant. It is worth mentioning again the distinguished characteristic of service marketing: in the service business, marketing is a supporting part of the production process because the product is consumed at the point of production (Grove, Fisk, & John, 2000, p. 59). Among the “7Ps” of service marketing mix, five elements called “Product, Place, Process, Physical Evidence, and Participants” occur in the production process – also called “production-consumption point” (Davis, Lockwood, Alcott, & Pantelidis, 2012, p. 15). Only two elements of them, “Price and Promotion”, can be done before this production-consumption point (Davis, Lockwood, Alcott, & Pantelidis, 2012, p. 15).

Both managers stated that they have done a lot of marketing. Their approaches are quite similar.

One restaurant focuses mainly on the marketing elements that happen at the time of consumption. For the manager, the quality of food product is the first priority. It refers to the “Product” element. According to him, it is the quality of food that makes

customers come again. He strongly emphasized on the role of word of mouth marketing. He put it in this way: "it is the taste that will do it for you if you make it well" and "customers, they are marketing for us". The second priority is placed on the "Participants", namely the staff. It is important to have a good spirit between the staff and the customers, according to the manager. The staff then should be polite, friendly, and not too formal. Moreover, the manager concentrates on building a long-term relationship with customers. By talking and asking feedback from customers all the time, he has already created a good connection with customers. According to him, Finnish customers usually do only few talking. However, they like to be asked about their opinions and feelings after the meal. It is not police to just serve the food and leave the customers alone. The manager has developed such a good relationship with customer that usually they actively call the restaurant to ask about the coming buffet/tasting day or what events will happen in the next month. Furthermore, the dining room is designed in a way that it gives a warm, cozy and not so formal impression for customers. This belongs to "Physical Evidence" in the marketing mix. It comes altogether with the good food and friendly staff in order to create such a meal experience for customers: a relaxing meal with enjoyable food serving by friendly staff in a warm and cozy place. That experience is the most effective way of marketing, according to the manager.

Furthermore, the location of the restaurant is advantageous. It is situated in the city center and surrounded by hotels so it is more likely to be visited. That adds an advantage of "Place" to their marketing mix. The "Price" is kept reasonable to the quality they offer, and this element is not of any use for the marketing purpose. As for "Promotion", the manager focuses on online marketing. The restaurant has its own website both in Finnish and English, which presents a user-friendly and attractive interface. It also has a Facebook page, which remains quite high traffic. Apart from that, the restaurant has not invested in magazines, television, or any other kinds of advertising. This strategy of marketing has been applied since the year 2006, which has gradually gained the restaurant its reputation of today.

As for the other restaurant, the manager holds the same opinion about marketing in the restaurant business that the taste and quality of food is the most important thing that keeps customers coming back. For the "Participants" element, the manager also

aims to create a friendly impression aided by the serving staff. In addition, the speed of service is taken into account. It should neither be too slow nor too speedy so that customers can feel relaxed. The manager also focuses on building a long relationship with customers in a similar way: by talking to them and asking feedbacks from them frequently. Many customers have stayed with the restaurant for years. They are usually very eager to tell the manager what is done well or not so well. That built a very good customer base for the restaurant, according to the manager. However, it is also a challenge sometimes for him to deal with different kinds of customers, which forces him to be versatile about what to offer. Besides, the dining room, which belongs to “Physical evidence”, is designed in a plain, classical style so that the scenery from windows is highlighted. These pieces come together to create a relaxing and pleasant meal experience in a slow and classical style.

Furthermore, the restaurant strongly relies on its outstanding location – a “Place” element. The location is actually so well known that the fame of the location attracts customers and visitors to the place. For tourists, it is almost a “must-see” place to visit. This factor is one of the core advantages of the restaurant. Similarly to the other restaurant, the “Price” element is not taken into consideration as a marketing tool. However, the “Promotion” part has been given more concern. The manager has done printed advertising and mailed advertising. Nevertheless, the more focus is given to social media and online marketing. The manager explained that customers are now more likely to visit the Internet using their laptops, tablets, and smartphones. Therefore, it is crucial to capture their attention on these platforms. He also plans to have a director of marketing in the near future. The marketing strategy of the restaurant will be pushed more aggressively towards online advertisements.

4.7 Quality Management

Quality management is a procedure that has to be done everyday in both restaurants. The typical food quality check process includes faulty inspection of delivered raw material, taste checking when the food is ready, visual check by waiters/waitresses, and feedbacks from customers. Among these steps, the feedback from customers is the most critical part. Normally, the recommendations and

complaints from customers are collected throughout the day and checked out in the evening at the end of the day. The feedbacks are then sorted out and handled by the manager and the team. The quality of service is also checked out by observation and customer feedbacks. However, it is less of concern. It appeared that both managers place fully trust in their staff and quite confident about their performance.

4.8 Finance

In terms of finance, one manager emphasized on the task of planning. According to him, autumn is often the time to make plan for next year. Menus, events, marketing, expenditure, the amount of personnel, working hours needed, and other issues are taken into consideration. The plan should be flexible and up to changes though. In addition, he uses a software system of analysis based on recorded data from many years before. This system is used to forecast sales and expenditure for the future. Otherwise, the manager didn't mention any other task.

The other manager talked about the finance side of his restaurant as a "struggle". It is caused by some objective factors such as the high cost of labor, the high food tax, and remarkably high tax of wine in Finland, named by the manager.

Discussing about the impact of the economic recession, one manager stated that his restaurant has survived and maintained quite well thanks to the hard work of the team. However, it has had certain negative effects undeniably, not only on the sales figures but also in other aspects, for example forcing him to postpone investments. The other manager, on the other hand, was quite pessimistic about the situation, as the recession has been continuing for almost eight years despite the theory of "seven lean years, seven fat years", stated by him.

4.9 Customers

Along the interviews, both managers provided a lot of knowledge and perception about Finns and Finnish customers. According to one manager, it has been researched that Finns often go to restaurants for about three or four times a year. They are more fond of eating out at lunch. In general, Finnish people go to restaurants only when they have something to celebrate because of the normal

perception that restaurants are of luxury. They usually go to restaurants in occasions such as birthdays, anniversaries or national celebration days; otherwise they come for business reason. However, people of the new generation go to restaurants more often nowadays. They also expect the restaurants to provide some sort of entertainment, for example shows or music. These customers are very demanding indeed, according to him. About the time and duration of the meal, Finnish customers often come between six and nine o' clock in the evening, while foreign customers often come after eight. Typically Finnish usually sit and eat for one and half an hour while foreign group may sit for three hours.

Furthermore, according to the other manager, Finnish people are very weather driven. When the weather is favorable, they like to go out. When the weather is cold, raining or snowing, they prefer to stay at home. It is different from other cultures, in which people often seek for nice food, nice atmosphere and good company to get out of the house, pointed out by the manager. Another characteristic of Finnish customers is that they are very honest. Whenever the manager asks for feedback from customers, they speak the truth about the food whether they like or dislike and what should be improved. That information is extremely helpful to the manager for improving the restaurant practices. Besides, Finnish customers actually like to be asked about their feelings and opinions of the food after the meal. It is seen as a good way to gain rapport and maintain a good relationship with customers.

5 DISCUSSION

5.1 Answers to the research questions

The purpose of the study was to find out possible hypotheses about the critical factors that contribute to the success of full-service restaurants in Finland. Two restaurant managers were interviewed with a same set of questions designed according to the themes based on the theoretical framework developed by the author. The interviews were transcribed and each transcript was broken into statements that captured the information relevant to the study. Based on the statements, the author compared and contrasted the data and presented them

according to themes. From that, the author created a point of view to answer the research questions as follows.

The research question is to find out critical success factors for full-service restaurants in Finland. Based on the interviews, it can be concluded that the first two essential elements that make a full-service restaurant succeed are the quality of food products and the quality of service. These are fundamental and indispensable. Each element is built up by a group of certain critical factors, which will be presented as follows.

Relating to the food products, there are several important factors that play critical roles in the production of good quality food. The first factor is *the ability to obtain the right volume of regular, fresh, and seasonal products with desired level quality and high level of consistency*. This factor creates the firm foundation for a restaurant business. The second factor is *being demanding about the taste and keep renovating recipes to achieve better combination.* This is the main process that keeps the business going and growing over time. The last factor is *doing cautious inspection in purchased raw material and always taste-checking before serving the food*. This functions as a checking system in order to control and maintain the quality standards.

In order to provide a high quality of service, the most important factor is *the ability to obtain potential workforce*. While getting the right people is the highest aim, a flexible approach should be applied in order to cope with the high turnover rate. There are also possibilities that training and personal development can improve customer orientation of the staff. Moreover, it is crucial that managers have *the ability to maintain long –term relationships and good connections with customers.* This factor is crucial for building up a reliable customer base for the business and for utilizing word of mouth marketing. Moreover, managers are also required to have *the ability to understand customer psychology and update new food trend in restaurant business.* This helps them to design more appropriate service and improve practice over time. The last factor is to gain *proximity to customers and high traffic location.* Without this factor, it is very hard for a restaurant to reach customers due to the sparse population in Finland.

All the quality – related factors mentioned above are conjunctive key success factors. This means that they are the necessary skills and resources for achieving high

performance in the market. The degree of acquiring these skills and resources always relates to the performance of the business, and they cannot be compensated for by progress in any other area.

Apart from them, the last factor can be considered to be the third element of a successful restaurant business. It is *a distinguished strategy from competitors.* While this factor barely influences the quality of food and service, it provides directions for the organization for transforming these values into competitive advantages. Only then can the business maintain its competitiveness in the market and keep on attracting customers. This factor is categorized as a compensatory success factor. This refers to the skills and recourses that a business can choose to emphasize on to any extent, and they can be compensated for by higher performance in other areas.

Furthermore, all factors mentioned above demand continuous practices, great accumulation of experience and effort, and constant investment through a long time period in order to achieve. Hence they can be considered to have low changeability. Changeability refers to how fast it is for a business to attain particular skills or resources. The lower it is the more permanent will be the competitive advantages for the business owners. Therefore, maintaining excellent performances in these key factors are likely to create sustainable competitive advantages for a restaurant business in the long run.

5.2 Managerial implications

My findings from the result respond to the study's research questions and help to achieve its goals, which were to identify critical success factors in a full-service restaurant in Finland. These findings have several implications for decision-making and strategic thinking related to restaurant management practice.

New restaurant owners or managers can relate to the findings of the research as a reference to identify potential critical factors to their restaurants' performance. From that, they can decide from the beginning which areas to focus on or highly invest in. This helps them to set goals and create a strategy as a starting point.

For restaurateurs and managers who already have experienced in the field, these research findings can be utilized as a checklist for them to reflect on their business.

They can assess their business performance according to these factors and relate that to the financial results of the unit. From the evaluation, they might find out new insights about what areas should be improved and how to improve them. This can also be used as main criteria to analyze strengths and weaknesses of competitors.

The research findings also benefit people whose professions relate to restaurant business, such as food suppliers, cooks, and restaurant trainees. It helps them to understand more about the operation of a restaurant and critical points in the process so that they can utilize that knowledge to achieve their purpose. For instance, the study can provide food suppliers some understanding about the demand and philosophy of restaurateurs so that they can improve their negotiation skill or provide better service. The same benefit can come to cooks, restaurants trainees, and waiters/waitresses who are looking for jobs or already work in restaurants.

5.3 Limitations

There are a few limitations of the study that need to be addressed as recommendation for future research. First of all, this study is limited in scope due to the small amount of interviews, even though it can prove its representativeness. A much larger amount of interviews would help to widen the scope and perhaps reveal interesting comparable findings that can broaden and validate the finding factors of the research. More research is needed for achieving results that would be more generalizable for the topic.

Another limitation is the language barrier. The author cannot speak Finnish so all interviews were conducted in English. This might have lead to information not fully presented, misunderstood context or misleading communication from both sides in the interviews. Consequently, it caused the author difficulties in interpreting statements in the analyzing process. This could have done better if the author can communicate in Finnish language, which would have helped her to communicate better with the interviewees and understand more precisely the content of the interviews.

5.4 Future research suggestions

The study has provided certain critical successful factors for a full-service restaurant. The results of the study can be validated by more qualitative research on the same topic in restaurants situated in different parts of Finland. The scope of the study can also be broadened by qualitative research in the context of other countries. Furthermore, these findings can provide hypotheses to be tested using quantitative methodology. The aim might be to develop and validate a theoretical model for the subject. A survey study, for example, could consist of a close-ended questionnaire as the measurement instrument. A survey study has an advantage of being able to enormously increase the sample size and thus provide a large enough database for statistical analyses. The result of the current study can then be used to inform the development of the questionnaire items.

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APPENDICES

Appendix 1. List of codes

Theme	Code
General	Gen
Strategy	Stra
Marketing	Mrk
Menu	Mnu
Inventory	Inv
Production & Control	Pro
Quality Management	Qua
Staff	Stf
Finance	Fin
Customers	Cus
Environment (Industry & Macro)	Env

Appendix 2. Interview questions

Theme	Code	Question
General	Gen	What are the duties of a restaurant manager?
	Gen	If there are some main factors that contribute to your success today, what comes to your mind?
	Gen	Do you intend to focus on any special area? If yes, which area?
	Gen	Is there any field that you want to improve? Why?
Strategy	Stra	How is the competition?
	Stra	What makes you different from your competitors?
	Stra	Why customers should choose you instead of them?
	Stra	Do you have a strategy? What and how important is it?
Marketing	Mrk	What kind of customers do you target?
	Mrk	How do customers know about you?
	Mrk	Do you invest a lot in marketing? Why?
	Mrk	How have you tried to reach customers?
	Mrk	How long does it take for you to gain your reputation as today?
Menu	Mnu	What kind of meal experience do you aim to create for customers?
	Mnu	How special is your menu?
	Mnu	Do you update or renovate your recipes? How often?
	Mnu	Are there many changes going on in prices or recipes?
Inventory	Inv	What difficulties do you encounter when managing inventory?
	Inv	How difficult is it to find the suppliers? Why?
	Inv	Do you have problems in purchasing fresh/seasonal products?
Production & Control	Pro	How do you monitor the production process?
	Pro	Do you have problem with capacity?
	Pro	What is the biggest obstacle in production process?
Quality Management	Qua	How can you ensure the quality of the food?
	Qua	How can you ensure the quality of the service?
Staff	Stf	What is the challenge in managing staff?
	Stf	Is this hard to recruit the right people?
	Stf	How do you monitor their performance? How do you know that they are doing a good work?

Finance	Fin	How is the financial side? Is it complex?
	Fin	How can you measure your financial performance?
	Fin	How about the financial planning?
Environment	Env	We have been through the economic crisis. How have it affected your business?
	Env	The government has introduced a new labor regulation recently about reducing the number of holiday and Sunday wage and so on. Will it affect your restaurant?