Marketing Mix Strategies of Restaurant
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Abstract
The primary idea of study was to evaluate the influence of the marketing mix elements on restaurant performance. The data was collected by an authenticated survey with a sample of 97 employees of restaurants in India. The collected data was analyzed by using the SPSS software version 25 by accepting the reliability test using Cronbach’s Alpha, correlations and regression.

According to the results of the study, the six variables out of seven elements were positively linked with the restaurants’ performance, but price did not have an impact on the restaurants’ performance. To conclude, restaurants must work on this impacted element to enhance their performance. Hence, there are some recommendations for the restaurants for future improvements

Keywords/tags (subjects) Marketing mix elements for restaurants, restaurants performance in india, 7P seven elements (price ,promotion,product,people,physical evidence, process and place)

Miscellaneous (Confidential information)
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1 First Chapter (Introduction)

1.1 Introduction

The ever-changing world of restaurants has witnessed a rather extensive makeover in the past few decades. There has been a significant shift of focus from food so that factors, such as ambience, location, brand status and culinary innovation, have begun to heavily influence the marketing strategies of the business. Revenue, publicity and the eventual success of any restaurant nowadays requires a very thorough marketing plan. The consumer base of the restaurant business has always been on the rise.

The modern consumer is considered to be the most extravagant of all times, and this has been one of the prime reasons behind the rapid innovative excellence both inside and outside of the kitchen. The industry is completely commercialised, and with the ongoing globalisation, it has resorted to revolutionary marketing techniques. Well known fast food giants, such as McDonald’s, KFC and Subway are some of the best examples of restaurant chains heavily relying on consumer specific marketing tactics used for staying relevant in the extreme markets of Asia.

Cheserem (2016, 1) cites Killing (2012) works in his article and stated that the Marketing strategies can be effectively utilised to influence the loyalty of customers towards a business.

This study focused on the role played by the marketing mix elements in shaping a restaurant’s overall performance. By definition, the marketing mix is a mixture of aspects that can be measured by a corporation to influence its consumers to buy its product.

Cheserem (2016, 1) cites Killing (2012) works in his article and stated that in the highly competitive modern market, the tools of marketing strategies should be used properly for they help an organisation to achieve a big market share.

With the growing number of unstable economies around the world, the requirement for a study such as this one becomes essential to avoid unnecessary financial mishaps.
"Over the past 60 years, marketing has moved from being product-centric (Marketing 1.0) to being consumer-centric (Marketing 2.0). Today we see marketing as transforming once again in response to the new dynamics in the environment. We see companies expanding their focus from products to consumers to humankind issues. Marketing 3.0 is the stage when companies shift from consumer-centricity to human-centricity and where profitability is balanced with corporate responsibility" (Philip Kotler 2010)

1.2 Background of the Study

Several marketing strategists have conducted research in the past trying to understand the impact of different marketing tools on restaurant sales. Attempts to formulate the perfect marketing strategy have been made numerous times, and there have been differences of opinion among the leading marketing strategists depending upon the location and consumer base. It has been found that brands work very hard to differentiate themselves from other competing brands to secure their share of the market. Their sole aim is to make a unique impression in the minds of the consumers because a distinct position for their brand is created in their subconscious mind. Once the position is set, it is almost impossible to change the consumer’s perspective unless the brand’s image and integrity are tarnished publicly.

"It can be referred that product, place, price and promotion needs to be balanced. Good food can make up for bad location or high price. Cheap price and good service can make up for location and idled social media marketing extra. In some other cases, however, the core product is still most important. Cheap price, good location or good marketing can never save bad food and bad unfriendly service" (Long Thanh Nguyen, 2017, 40).

The marketing mix elements do not only satisfy the demand, they also stimulate demand through information and creating certain proximity between the brand and the customer. However, keeping the customer delighted and loyal has always been a daunting task for restaurant managers, as they have to create new ideas constantly in order to meet the never-ending expectations. They must keep thinking of new ways to woo and retain their customers.

Ohmae (1989) claims that big enterprises must turn to be worldwide for competing. They must alter from firms to which foreign operations while are less important to firms that analyze the whole globe as a solitary market. As more and more
companies are entering the international arena, we are moving towards a single economy of diminishing trade barriers around the world.

1.3 Research Problem

The marketing strategy of a restaurant forms the spine of the business. Restaurants provide goods gift-wrapped in services. Restaurant managers are often bound to face the problem of storing goods, which do not last for an indefinite period. Therefore, restaurant marketers must keep inventing innovative marketing plans to maintain the extensive publicity that they initially create for their product. When a customer chooses a restaurant over others, factors such as accessibility, ambience, guest reception, quality and the features of the facilities as well as the procedure of service delivery play a bigger role than the quality of the food.

Restaurants nowadays offer complex services intended to overwhelm the customers and leave them with a desire for more. Even though, today, service innovation is at its prime in the restaurant business, it is still widely believed that good food will eventually only result in a satisfied customer and a profitable business. Food is, was and always will be the priority product of a restaurant and can never be replaced. Therefore, the marketing strategy of a restaurant must always lay more focus on the goods rather than the services.

Despite applying various mixes of marketing tools, many restaurants have failed to perform over time. From small-scale start-ups to Michelin star legends, establishments have shut down after incurring heavy losses to their proprietors. The conflict between goods and services in a restaurant often results in a shaky marketing strategy that results in the downfall of the establishment.

1.4 Objectives

The objectives of this study are as follows:

- To determine the impact of the marketing mix components on the outcome of a restaurant’s business performance.
To establish a relation between marketing mix components and consumer loyalty from the employee perspective.

To establish a relation among the marketing mix components exclusively for the restaurant business.

1.5 Research Question

Every restaurant requires a unique marketing strategy in order to attract their target customers. Today, a product offered by a restaurant is a blend of goods and services; a blend, which is unique to the restaurant, and which, therefore, requires a unique strategy. Considering the above problem and objectives, the following question was formulated to achieve the goals of this study:

*How can a restaurant utilize the marketing mix elements to maximize its performance?*

1.6 Value of Study

This study focuses on how the marketing mix components behave in the restaurant business. It gives a detailed insight into the world of restaurants and deeply studies the importance of different marketing components separately and their relationship with each other. This study could prove to be of great value to those who are starting in the restaurant business. People who are new to the restaurant business can learn about different marketing approaches in varied circumstances catering for all kinds of people. This study covers all the restaurants from the low-budget fast food outlets to the high-end luxury properties, and it studies the effect of the marketing mix elements on all types of restaurants.

1.7 Scope of Study

The study was not limited to any region or country. It addressed all kinds of restaurants all around the world and sought solutions to common as well as uncommon problems. This study can be used for academic as well as strategic purposes. The study had certain constraints and limitations, such as time limits and
lack of funds, but the objectives of the study could be achieved. Despite the limitations, this study holds the potential to present innovative strategies.

1.8 Structure of Study

This study covers five main chapters, namely the introduction, theoretical framework and hypotheses development, research methodology, data analysis and conclusion.

The introduction part discusses the background of the study, objectives, problems and questions associated with the study. It also looks at the scope as well as value of the study.

The Introduction is followed by the Theoretical framework and Hypotheses development. A detailed analysis of marketing, the concepts of marketing, and the marketing mix model is followed by an introduction to the world of restaurants.

The third chapter addresses methodology, which contains the research design, methods of data collection and validity of the research. The fourth section reveals the descriptive analysis of the data. The last chapter presents the conclusion and gives recommendations for future research.

Figure 1: Structure of Thesis
2 The Theoretical Framework and Hypotheses Development

2.1 Marketing

2.1.1 Introduction

Marketing is one of the premier elements in the business compound.

"Marketing as the activity, set of institutions, and process for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners and society at large" (American Marketing Association 2007).

Marketing focuses on the creation, attention, retention and satisfaction of the customer. Every marketing strategy is built around the need, want and desire of their targeted consumer mass.

Chartered Institute of marketing (2015) explains that "management process responsible for identifying, anticipating and satisfying customer requirements profitably".

In the past, marketing tools were limited to advertising, distribution and sales, and marketing was generally viewed as a creative industry. However, during the 20th century, the rapid rise in the consumer spectrum resulted in a never-ending competition in the business sector, which led to a deep academic study of marketing by various scholars around the world. A variety of new and radical marketing tools was invented, and an elaborate use of psychological, sociological and mathematical theories in designing marketing strategies became a common approach by the late 20th century (Zhou 2012).

According to Evans and Ballens (2015), the desired outcome of a marketing strategy is to establish a product in the market following extensive market research, classification and targeting of customer base, development of the price, promotion and distribution strategies and perception of the long-term market development goals.
2.1.2 Concept of Marketing

Marketing Concept is a philosophy, which proposes that the planning of the marketing strategy of a firm should begin with an in-depth analysis of the needs, wants of its target customers, and make decisions based on the analysis to provide a better product or service than the competitor makes (Smith 2007).

According to the Weeks and Marx (1968, 39) believes that the needs and wants of the customer are the focal point of every marketing strategy, and a marketer must have a profound understanding of these external forces.

According to Kolter, Kartajaya and Setiawan (1999) think that the everything necessary for sustaining a safe and stable life is categorized as needs. In case of neglect, the outcome is usually adverse. According to most psychologists, a need is a psychological characteristic, which stimulates a living being to act towards achieving a goal. It provides shape, purpose and direction to behavior. Needs are usually classified as physical needs, such as food, water and shelter, and psychological needs, such as belonging, pride and self-esteem (ibid., 10).

Wants: Unlike needs, wants are not necessary for survival. They consist of aspirations, desires and wishes and are often molded by cultural or peer pressures. It may be said that a person has limited needs and unlimited wants. Economists view wants solely as desires, and since economics is based on the assumption that only limited resources are available to us, they believe that people cannot have everything they wish for and must learn to adjust to the most affordable alternatives (ibid., 10).

Demands: Needs and wants are a matter of interest in fields such as psychology, philosophy, biology, marketing, economics and politics. Some economists have even refused to distinguish between needs and wants ad state that they are only wants with different degrees of importance. This viewpoint enables us to understand needs and wants as examples of demand (ibid., 10).

Philip Kotler (1999) states that there are five core concepts, which constitute the present-day marketing concept:
The Production Concept: - It originated sometime around the beginning of capitalism. The primary focus of business was on production, manufacturing and issues related to efficiency. The reason behind the importance given to production was the Say’s Law, which stated that supply creates its own demand. Simply put, if one makes something, someone somewhere will want to buy it. It is the most operations-oriented concept and prevailed in the market up to the mid-1980s (ibid., 17).

The Product Concept: - It came into existence after too many similar products began to exist in the market at the same time leaving the customers confused. In addition, businesses started to incur losses after initial success with the same product. Marketers deduced that consumers would always choose the products offering better features, quality and performance, and thus, the product concept was born. The best example of a product-oriented business is Apple. Over the years, Apple has succeeded in retaining and growing its customer base with constant quality and performance upgrades and innovative products. Apple has one of the most loyal customer bases in the world, and people simply love this business because of its products (ibid., 18).

The Selling Concept: - The Selling Concept works on the assumption that a customer is typically ignorant about any product and requires effective persuasion to purchase it. This concept is credited with providing the sales department an important position in the business. Street to street hawking, door-to-door marketing, home delivery and many more rather radical marketing approaches come from this concept. The business of life insurance would never have succeeded without applying this concept in its marketing strategy. However, this concept carries one drawback with it, which concludes that if the customer is left unsatisfied after persuasion, they may use that against the business, which may result in negative publicity and eventual failure (ibid., 18).

The Marketing Concept focuses on the requirements and desires of the customers, and it plans its strategy to satisfy its target customers profitably. This concept proposes that a product should be made only after integrated research to determine its degree of demand. It is different from the selling concept in many ways. The selling concept focuses on selling products irrespective of customer needs and
concludes profit through sales volume, whereas the marketing concept concludes profit via consumer satisfaction. The concept of selling relies on large-scale advertising and promotions, which often bear huge costs. The marketing concept relies on market research, which makes it easy and cost-effective to reach its target audience. The marketing concept operates in a much more organized manner, takes a customer-first approach and functions on the philosophy of not looking for the right consumer for a service or product but searching the right service or product for the consumers (ibid., 19).

The Societal Marketing Concept: - The Societal Marketing Concept focuses on human welfare and prioritizes society’s wellbeing over profits and customer satisfaction. It questions the other concepts and looks for conflicts between customers’ short-term needs and wants and long-term well-being. It advocates sustainable and environmentally responsible marketing, which not only meets the present needs but also keeps in mind the needs of the future generations (ibid., 22).

Figure 2: Five Core Marketing Concepts by Philip Kotler (1994)
2.2 Service Marketing

A service is a transaction between a buyer and a seller without any transfer of physical goods. “A service is an activity or a series of activities which take place in interactions with a contact person or a physical machine and which provides consumer satisfaction” (Lehtinen 1983).

In the early 1980s, the unique characteristics of services were recognized, and it was discovered that services required a different approach when compared to products marketing (Gummesson 2006, 3-4).

Service marketing involves services, such as financial services, hospitality services, tourism and leisure services, rental services, healthcare services and trade services. Services are often limited to time periods, and the duration in which a customer receives a service is called a service encounter (Vargo and Lusch 2004, 1-17).

Hoffman and Bateson (2010) believe that the soul of service is the expertise of the buyer that proceeds in action. It is the cooperative procedure itself that makes the services wanted by the customer. The unique characteristics of services make their marketing strategy more complex and multi-dimensional.

According to Gilmore (2003), the characteristics of services are: Inseparability (production and consumption cannot be separated), Intangibility (lack of physical form), Perishability (services cannot be stored or inventoried) and Variability (performance is subject to human variation). These characteristics show a fundamental difference between goods and services and ask for separate marketing strategies.
Service marketers use the expanded marketing mix model to develop marketing strategies for service products. The extended marketing mix model contains 7Ps: Physical Evidence, Price, Place, Product, Promotion, Process and People (Bitner 1993). The traditional marketing mix model consists of 4Ps: Product, Place, Promotion and Price (McCarthy 1960).

At the inaugural American Marketing Association’s conference (1981), which was dedicated to service marketing, several papers were presented suggesting that service marketers were revising the traditional 4Ps model based on their understanding of services being fundamentally different to goods. The extended marketing mix model of 7Ps as more befitting to the services-marketing strategy development. Since then, the 7Ps model has gained widespread acceptance with arguments presented in favour of the application of Booms and Bitner’s model to product marketing as well (Booms and Bitner 1981, 47-51).

2.3 Marketing Strategy

According to Pereira (2017, 18) cites Ronda-Pupo and Guerras-Martin (2012) works in his article and stated that the main theme of professional strategy from much
explanation is attention on enduring aim, attains aim in other words goals, connecting company to atmosphere, as well as strategic proposal for accomplishment.

According to Pereira (2017) cites Mircevska and Cuculeski (2015) works in his article and stated that Marketers think about long-term business aim and make good marketing strategy for the company. Constant response and evaluation is an essential for a beneficial strategy along with remain up-to-date (ibid., 18).

According to Pereira (2017) cites Ramaseshan, Ishak and Kingshot (2013) works in his article and stated that Beneficial strategy is reliant on the wide knowledge as well as study environment in which the company allows preparation for ecofriendly amendment that disturb the business (ibid.,18).

According to Pereira (2017) cites Kotler and Armstrong (2012) works in his article and stated that a study (PESTAL) of external atmosphere is vital for beneficial strategies. Pestal involves an examine environment such as customer as well as corporate share, along with it is important to know aspects disturbs buyer behavior and attitude. Another study called SWOT analysis. The corporation must notify about existing resources along with weakness part of business. This data is vital for creating a policy which improves industries assets as well as intense understanding of buyer (ibid., 18-19).

According to Pereira (2017) cites Băcanu(2015) works in his article and stated that Strategic marketing has prolongs to include each part of the organization (ibid.,19).

According to Pereira (2017) cites Palmer, Simmons and Mason (2015) works in his article and stated that it essential to remembered while marketing policies includes customer connection, corporation reputation, civilization and many other gatherings, Selling product or service is main goal of long term marketing; all new considerations are a means to an end (ibid.,19).

According to Pereira (2017) cites Mircevska and Cuculeski (2015) works in his article and stated that It Marketing strategy leads business values along with delivers permanent modest advantage (ibid.,19).
According to Pereira (2017) cites Constantin (2016) works in his article and stated that Organizational goals can attain in designed and continuous way through the medium. Marketers must attentive about requirement for continuous review and version of strategy (ibid.,19).

According to Pereira (2017) cites Qasem and Alhakimi (2014) works in his article and stated that the character of buyer in marketing plan, uttering the goal of marketing approaches to satisfy consumer requirements along with encounter other company objectives. Moreover, they explains that an elegant marketing plan includes three phases; attained examination, environment examination, and formation of planned processes. After execution, strategy requirement checked, assessed, attuned, and review often with well-run market facts to upkeep deviations (ibid., 19-20).

According to Pereira (2017) cites Kitchen (2006) works in his article and stated that the strong points deliver a real benchmark in contradiction with outcomes along with success of marketing approaches (ibid.,20).

According to Pereira (2017) cites almer,Simmons and Mason (2014) works in his article and stated that determining the efficiency of strategy is vital to strategic formation process. During latest years, the foremost fluctuating aspects development of strategy is rapidly growing of digital technology. Online audience more prospective and faithful than old consumers (ibid.,20).

According to Pereira (2017) cites Palmer,Simmons and Mason (2014) works in his article and stated that Active strategy could not switch customer view, straight and stand-in optimistic attitudes towards firms. Consequently, online marketing can change marketing ways based on customer interest, location, views and opinions. Subsequently, purpose of plans is to make a firm viable, attain goals, along with fulfill consumer needs; by varying buyer awareness of firm (ibid.,20).

2.4 History of Marketing Mix

The earliest mention of the term mix in a study related to business marketing can be found in an article,

“The Management of Marketing Costs by Prof. James Culliton (1948), a professor in the Harvard University at the time. He compares the modus operandi of a marketer
with that of a chef; a decider, an artist – a mixer of ingredients, who sometimes follows a recipe prepared by others, sometimes prepares his own recipe as he goes along, sometimes adapts a recipe to the ingredients immediately available, and sometimes experiments with or develops ingredients no one else has yet tried” (Borden 1964)

The hint of marketers as blender of ingredients trapped quickly but the marketers failed to reach any actual consensus regarding what elements to take in the mix till 1960 (Van Waterschoo & Van den Bulte 1992, 83-93).

The 4Ps conceptual framework comprised of Product, Price, Place and Promotion and it rendered long checklists and lengthy classification of factors as obsolete. The book proved to be revolutionary and the concept of marketing mix found acceptance worldwide. It was further popularized by Kotler for the modern market (McCarthy 1960).

2.5 The 7Ps of Marketing Mix

2.5.1 Product

Tarasova (2014, 12-13) cites Kolter (2006) works in his article and stated that the first and most important P; a product can be anything that when offered to a market, satisfies a want or need of its targeted consumer. A product can be merchandise, finished goods, raw material or a service. Typical marketing decisions behind the making of a product include product design, quality and other related features, branding, packaging and labeling of the product, guarantees, warranties and return/exchange policies and service level, complimentary services and after sale services. A firm is known by its product and the firm’s face value depends on the performance of its product in the market, hence strategists put maximum effort in ensuring that their product meets their targeted customers’ needs better than the competitors (ibid.,12).

2.5.2 Price

Tarasova (2014) cites Kolter (2006) works in his article and stated that the second P in the model, pricing is a very important process of a business’s marketing plan. It denotes to the volume a consumer is eager to pay for a service. Price is the only P which generates revenue for a business. While deciding upon the price of a product,
strategists carefully study the cost of acquiring raw materials, cost of manufacturing the product, quality of the product, brand’s position in the market, the condition of the market and competition in the market (ibid., 13).

Tarasova (2014) cites Dibb (2001) works in his article and stated that typical marketing decisions behind pricing are allowances for distributors, discounts for customers and other payment options such as credit or installments. Price of a product may vary over time depending on the demand and supply. Strategists focus on long term marketing plans to keep the demand up leading to a smooth supply and eventual profits for the business (ibid., 14).

2.5.3 Place

Tarasova (2014) cites Cowell (1993) works in his article and stated the third and one of the most market-oriented P, in terms of marketing, place refers to a medium of product distribution. The process of distribution makes the goods or services available for a consumer or another business that needs it. A business may directly distribute its good or services through or may choose to go with indirect channels such as distributors and intermediaries. Development of an effective distribution plan is a central component of strategic planning (ibid., 14).

Tarasova (2014) cites Kotler (2006) works in his article and stated typical marketing decisions on distribution are focused upon whether to opt for intensive distribution or go for selective or exclusive distribution. Locations selected for distribution must provide maximum market coverage and facilities such as transport and warehouse should be readily available. A long-term distribution plan must also define terms and conditions for franchising. Ease of access for the customer has always influenced the sales of a business therefore the distribution strategist must choose the locations after deep market research (ibid., 15).

2.5.4 Promotion

Tarasova (2014) cites Cowell (1993) works in his article and stated the fourth and final P in the traditional mix, results of promotion defines the outcome of the entire model. In marketing terminology, promotion simply refers to any kind of
communication with the target audience to inform them about the qualities of a product and persuade them into purchasing it (ibid., 16).

Tarasova (2014) cites Cowell (1993) works in his article and stated promotions strategy of a business aims at spreading awareness, creating interest and generating sales. A successful promotion campaign results in a loyal consumer base ensuring demand of the product for a certain period in future. There are many ways to promote a product; it many include both in-person promotion or with different forms of media which can be either physically real or virtual/electronic (ibid., 16-17).

Tarasova (2014) cites Tutor2U (2014) works in his article and stated businesses have also chosen concerts, and festivals to hold a special event for promoting an existing product or launching a new one. Brand ambassadors or promotional models are also hired to represent the product or the business or both in a market and interact with the targeted customers. Most modern promotional tool is the social media. Facebook, Twitter and Instagram have allowed businesses to not just inform but formally interact with their target audience. Promotional strategies involve heavy use of creative arts and use of interactive animations and breath-taking shoot locations to influence their target customer’s decision making (ibid., 17).

2.5.5 People

Tarasova (2014) cites Cowell (1993) works in his article and stated the first P of the extended model and fifth in the overall list, people is defined as the front-line staff hired by the company to interact with the target customers while representing the company (ibid., 18).

Tarasova (2014) cites Cooper (1997) works in his article and stated all companies rely on people who run from the front office to the board of directors. For a company providing services, service personnel hold as much value as the services as they act as the medium of transfer of service from the company to the customer. Typical marketing decisions involving the people are usually very detailed and intensive (ibid., 18-19).

Tarasova (2014) cites Lovelock (2010) works in his article and stated staff recruitment and training makes a big part of the process. Use of uniform codes for front-line staff
and use of audio-visual aids along with scripts for effective counselling of the customers is also a major concern. Modern marketing strategy involving people also entails handling of complaints and service failures with integrity and swift management of social media interactions to ensure a quick response for online queries regarding the service (ibid., 19).

2.5.6 Process

Tarasova (2014) cites Cowell (1993) works in his article and stated process is the complete flow of activities through which a service is provided to the customer while following all the conceptual standards of the service. The complete procedure of service delivery is developed step by step and service personnel hired to act as the medium of transfer are always kept well trained and up to date to ensure utmost customer satisfaction (ibid., 20).

Tarasova (2014) cites Cowell (1993) works in his article and stated process is an important part of the model, as the customer not only pays for the service but also for the way the service is delivered. Since the outcome of a delivered service can only be measured in the terms of customer satisfaction, process becomes the most effective addition to the list ((ibid., 21)).

2.5.7 Physical Evidence

Tarasova (2014) cites Cowell (1993) works in his article and stated physical evidence refer to everything non-human that plays a part in the delivery of a service during the service encounter, plus tools, conveniences and furniture (ibid., 20).

Tarasova (2014) cites Teacher (2014) works in his article and stated it may also be made up of abstract components such as interior design and air control. All services include some form of tangible elements even though the customer is paying for the intangible. Those tangible elements are proof that the seller has provided what was expected by the customer. A good example of such tangible elements is souvenirs and mementos, which provide an everlasting proof that a service has been delivered (ibid., 20).
Tarasova (2014) cites Zeithaml (2006) works in his article and stated typical marketing decisions for physical evidence include psychological study of consumer behavior to decide the kind of facilities and ambience to be applied. A soothing and comforting environment is the goal and the entire premises of the company is designed in a way to make customers leave all sorts of hesitations behind while being counselled for the service offered. Tangible goods involved in the facilitation of a service are also a part of the physical evidence (ibid., 20).

Figure 4: 7Ps of Marketing Mix

2.6 Restaurants

Chen (2014, 9) cites Bortherton (2003) works in his article and stated that any establishment, which makes and serves nourishment and drinks to consumers in exchange of cash, is called as a restaurant.

Chen (2014) cites Dittmer (2003) works in his article and stated that restaurant establishments come in all varieties from budget friendly fast food restaurants and cafeterias to mid-range family restaurants, to high-end luxury properties with a long list of luxury services. Many mid-range and high-end establishments serve alcoholic beverages along with the meals at an extra cost (ibid., 9).

Csutora (2013, 22) cites Lundberg (2003) works in his article and stated that Customers generally consume the products and services of a restaurant at the
premises but options of take out or home delivery is also offered by almost all the restaurants nowadays. Restaurants cater to basic consumer needs and wants and therefore enjoy a default consumer base with a natural constant demand of their products and services.

The number of employees in a restaurant varies greatly depending on the type of restaurant. A proprietor of a restaurant is called restaurateur. Professional cooks are called chefs who are further classified in their own hierarchy from commissaries to executive chefs. Mid-range and high-end restaurants will have several waiting staff to serve food and beverages. High-end restaurants also employ a waiter to welcome the customers and help them in settling down, dishwashers to clean the tables and remove used cutlery and crockery and sommeliers to help their customer’s select alcoholic beverages, usually wines. A lot of high-end establishments also have a Chef’s table in the kitchen of a restaurant, which is usually reserved for VIPs and special guests. At the chef’s table, guests indulge in a themed tasting menu exclusively prepared and served by the head chef of the restaurant (Entrepreneur.com, 2016).

2.7 History of Restaurants

Before restaurants came into existence, dining out went through several phases around the world. Excavations at Pompei reveal more than 150 “thermopolias” with service counters around the town. Thermopolia were small restaurant-bars offering food and drinks to customers. Their success is often linked to eating out being an important part of socialising (Ellis & Steven 2004, 371-384).

In China, food and drink establishments can be traced back to 11th century in Kaifeng when teahouses and taverns catering to travellers began expanding their businesses (Gernet & Jacques 1962, 133-134).

The modern-day restaurant was born in Paris, France in 1766 when Mathurin Roze de Chantoiseau started a health food outlet which was effectively an elegantly decorated cafeteria. He sold a special type of bullion and named it “restorant” (Spang 2001).
Soon, other began following him and by the mid-1780s, a revolution approached as elite cooks from households began opening grander version of these places. Elegance became common in such places and led to the development of luxury restaurants in Paris (Metzner 1998).

2.8 Types of restaurants

Different types of restaurants are below:

Quick Serve or Fast Food Restaurants

Tang (2015, 10) cites Wade (2006) works in his article and stated fast Food outlets focus on speedy service. Table service is not provided in these outlets and orders are made from a counter. Customers are required to carry their food themselves and dish out the tray in the bin after they have finished eating. Examples range from small-scale street hawkers with carts to multibillion-dollar giants such as McDonald’s and Burger King. Drive-through and take away services are usually available at these places.

Family-Style Restaurants:

Tang (2015) cites Wade (2006) works in his article and stated that Casual dining restaurants without alcohol are generally termed as family-style restaurants. Services are often carried out on platters and customers serve themselves. The seating arrangements in these restaurants are usually for large groups and young couples or a group of college students is not a common sight at such restaurants. Family-style restaurants have enjoyed widespread success, popularity in India as dining out with family is considered as a necessary social convention, and alcohol is usually frowned upon. In India, they are usually under private ownership and serve vegetarian food only (ibid., 10).

Buffet

Tang (2015) cites Wade (2006) works in his article and stated these restaurants serve different kinds of dishes to their customer at same time without any restriction. These eateries are generally less cheap along reasonable for family (ibid., 10).

Fine Dining Restaurants
Tang (2015) cites Wade (2006) works in his article and stated all high-end luxury restaurants make part of this category of restaurants. Highest levels of standards are maintained at these places with highest quality of service delivery ensured every time. Menus are vast with dedicated meal courses and select wines. The décor and ambience at these places are always of high quality and extravagant nature. Some fine dine restaurants even require their customers to follow a certain dress code abide by certain rules of dining in their establishment. Restaurants in hotels such as Charlie Trotter, Thomas Keller and Bradley Ogden Hilton fall under this category and are always very expensive (ibid., 11).

![Types of Restaurants](image)

Figure 5: Types of Restaurants

2.9 Restaurants Ratings

Johri (2013, 30-33) cites Michelin Corporation, Michelin Guide, Secret world of Michelin inspectors and Neil Tweedie (2013) works in his article and stated that Guidebooks, newspapers and other media provide restaurant ratings based on their quality. Notations such as a star or some number or some other symbol are used to provide the rating. Stars are the most common form of rating given to a restaurant usually with scales of one to three or five. The Michelin guide, that gives rating (1 to 3) to restaurants. One star specifies a “very good restaurant”, two stars indicate a
place “worth a detour” and three stars mean “exceptional cuisine, worth a special journey”. Other notable restaurant rating guides are La List and The World’s 50 best restaurants. Different guides have different criteria of judgement and not every guide checks for behind the scenes while some particularly go for value for money. Since all the guides work independently, a restaurant may be present in one of the guides and missing in another or may have multiple recognitions. Restaurant ratings play a major role in defining the achievement or letdown of an eateries, mainly if reviewed by such as Michelin.

2.10 Hypothesis Development

A critical observation of the relevant literature has shed enough light over the fact that a restaurant will perform as expected if its goods and services are in synchronization with the wishes and requirements of the target buyer. The marketing strategy of the restaurant business is heavily dependent on the marketing concept as opposed to the selling concept as the risk of a backfire is relatively high with it. Since both the goods and services of a restaurant are perishable, the marketer must prioritize with the customer to ensure minimum risk in the strategy. Further examination of the literature in relation with the 7Ps of the extended marketing mix model has led the study towards the development of the following hypotheses.

The formulation of this following hypotheses is derived from previous literature (Khodaparasti, Aboulfazli & Isakhajelou 2015; Alipour, Ghanbari & Moniri 2011; Sarker, Aimin, Begum 2012) where various authors tried to determine the impact of marketing variables on different product or services such as Modern Technologies, marketing audit, Tourist statisification.

In case of service marketing, restaurant must develop a product, which is sure to leave a positive impact on the target audience during promotions, and the service design must appeal to customer needs and wants. Usual eating and drinking habits can be surveyed before deciding upon the fundamentals of the product design to make sure that the product will attract the target customer instead of designing a
product first, and then expecting the target customer to such as it based on psychological assumptions (ManagementStudyGuide.com).

H1: Product, as a Marketing Mix component has a major and direct impact on the Restaurant performance.

People tend to make budgets beforehand and categories their expenditure list based on their respective needs and wants. Pricing of restaurant products must be done in such a way that the customers do not put in excess thought before making purchase decision. Usual spending habits of the target customers can be surveyed and applied in the price design. Use of odd numbers and discounts always has a psychological advantage over the decision making of the customer (ManagementStudyGuide.com).

H2: Price, as a Marketing Mix component has a major and direct impact on the Restaurant performance.

Unless a restaurant has Michelin stars, choosing an unexpected location for a restaurant mostly results in closing of the establishment despite a good product. Accessibility is a major consumer concern and cannot be taken lightly. Moreover, with the prevalence home delivery restaurants, a dine-in restaurant must have a very visible location (ManagementStudyGuide.com).

H3: Place, as a Marketing Mix component has a major and direct impact on the Restaurant performance

Since there is competition everywhere, the promotional strategy of a restaurant should be such that the target customer should eventually want to adhere the product. The basic idea behind creating awareness is to make the target customer believe that this product will provide more satisfaction that the competitor (ManagementStudyGuide.com).

H4: Promotion, as a Marketing Mix component has a major and direct impact on the Restaurant performance.

It is a well-known fact that people like receiving services, which pamper them. Like goods and services, the employees of a restaurant hold equal importance. A well-
trained, polite and compassionate staff will induce a feeling of comfort with the customer and eventually result in customer loyalty (ManagementStudyGuide.com).

H5: People, as a Marketing Mix component has a major and direct impact on the Restaurant performance.

A good product and a good staff cannot function without a well-formulated system process. A flawless operation automatically ensures customer satisfaction as the impression of “they know what they are doing” forms the basis of customer loyalty. The restaurant business has always been related to the entertainment business and customers long for new experiences in their regular routine life. An interactive service not only ensure a happy customer, it also allows the restaurant to study and analyses its customer more closely for an even greater service performance in future (ManagementStudyGuide.com).

H6: Physical evidence, as a Marketing Mix component has a major and direct impact on the Restaurant performance.

The premises of a restaurant can be compared with a film set. Just like a film needs a plausible background to connect with its script and actors, a restaurant also requires non-human elements to keep everything in sync. Things like, quality of furniture, cutlery and crockery, uniforms of the employees, interior décor, color and light themes extra all play a role in psychological satisfaction of the customer. Many people visit restaurants not just for food but also for an escape from regular life and seek relaxation in the service (ManagementStudyGuide.com).

H7: Process, as a Marketing Mix component has a major and direct impact on the Restaurant performance.
2.11 Conceptual Model of Hypothesis

Figure 6: Conceptual Model of Hypothesis

This diagram shows that there are independent marketing mix variables and one dependent variables (restaurant Performance).

The general procedure of the model was:

\[ RP = \beta + \alpha_1 Y_1 + \alpha_2 Y_2 + \alpha_3 Y_3 + \alpha_4 Y_4 + \alpha_5 Y_5 + \alpha_6 Y_6 + \alpha_6 Y_7 + e \]

Where, \( RP \) = Restaurant Performance

\( Y_1 \) = Product

\( Y_2 \) = Price

\( Y_3 \) = Place
\[ Y_4 = \text{Promotion} \]
\[ Y_5 = \text{People} \]
\[ Y_6 = \text{Process} \]
\[ Y_7 = \text{Physical Evidence} \]

In addition, \( \alpha \) is constant and Coefficients are \( (\alpha_1; \alpha_2; \alpha_3; \alpha_4; \alpha_5; \alpha_6; \alpha_7;) \) and Error Term \( (e) \) (Sarker, Aimin & Begum 2012).

3 Methodology

This research was conducted to determine the influence of the 7ps in the development of a restaurant’s marketing strategy. Establishing a relation between the 7ps and restaurant performance was also a part of the research objective. To carry out the research, a survey questionnaire was structured using the Likert scale. The data collected from the survey was then subjected to analysis and interpretation. Secondary sources, such as published articles and books, were also used to support the research outcome.

3.1 Research Design

With the purpose of conducting research correctly, the author observed that a suitable research plan should be sensibly expressed.

Kumar (2011, 94) states that Research design is a procedural plan that is adopted by the researcher to answer the questions validly, objectively, accurately, and economically.

Walliman(2011,9) states that there are numerous types of research design that are appropriate for the different types of research projects. The choice of which design to apply depends on the nature of the problems posed by the research aims. Each type of research design has a range of research methods that are commonly used to collect and analyse the type of data that is generated by the investigations.

A research design is a framework created to find answers to the questions in research. A research design is an organization of circumstances or gatherings .The design of a study defines its type and sub-type, research problem, research questions, objectives, theoretical framework, data collection approaches, experimental design, hypotheses and a statistical analysis plan.
For this research, a descriptive research design was used. Descriptions gain more emphasis than judgment or interpretation. Descriptive research aims at the verification of the formulated hypotheses about the present situation in order to attain a much clearer picture. It is a practical and flexible approach in terms of financial aspects and because of the fact if any new information arises during the research, further investigation can be conducted (Walliman 2011, 10)

The application of a descriptive design on this research was done to describe the restaurant framework under the influence of the 7Ps of the marketing mix, in other words, the factors affecting a restaurant’s marketing strategy, and to obtain primary data from the sources.

3.2 Methods of Research

Quantitative Method of Research

The quantitative method of data collection resorts to mass surveys, laboratory experiments, deep observations and other such means to collect data that is reliable and useful. Both dependent and independent variables are clearly specified in this method, and the discussions and experimentations involved in the method are of objective nature. Quantitative researchers aim to decode, describe, analyse and interpret the accurate meaning of a certain phenomenon happening in their customary social contexts. The focus of the researchers utilizing the framework of the interpretative paradigm is on the investigation of authenticity, complexity and contextualization and mutual subjectivity of researcher and the respondent as well as the reduction of illusion (Kumar 2011,104-105).

Qualitative Method of Research

*Williman(2011) states that qualitative data cannot be accurately measured and counted, and are generally expressed in words rather than numbers. Essentially human activities and attributes such as ideas, customs, mores, beliefs, that are investigated in the study of human beings and their societies and cultures cannot be pinned down and measured in any exact way*(ibid.,73).
Qualitative method utilizes holistic analysis and inductive reasoning to explain the research findings. Qualitative research seeks to determine the behavior, experiences and feelings of the respondents in their own terms and context. It produces verbal information rather than numerical values as it uses context instead of statistics. Qualitative data collection approaches induce a more realistic sense of the research setting by providing rich, well-versed descriptions and unforeseen findings for new theory construction, which cannot be obtained from numerical data (Mason 2011, 11-24).

3.3 Data Collection Methods

Quantitative data collection methods were applied to collect the primary data for this study. Primary data is the data collected from direct sources using survey questionnaires. For this study, primary data was amassed from answers delivered by the participants of a survey.

The questionnaire had two sections: a demographic section and one for the 7P elements related to restaurant performance. The first section contained the demographics of the respondents such as name, age and gender. The other section explored the marketing strategies of the restaurants. The survey contained questions identifying growth and efficiency factors. The questions were structured using the Likert scale; each question had five choices each of which represented the degree of agreement by the respondent. The Likert scale is an efficient and time saving tool, which enables the respondent to answer quickly and effectively.

4 Data Presentation, Analysis and Discussion

To complete this research properly, it is important to examine the collected data in order to check the hypothesis and answer the research questions. In the previous chapter, we already discussed the collected data in a descriptive form. This section includes the analysis, interpretation and presentation of the outcomes of this study. The interpretation and analysis of data is based on the results of the questionnaire. One part of the survey questions is based on the Scales, and the other part belongs to the Open Ended Question.
4.1 Response Rate

The data were collected from restaurant employees in India. The survey was sent to them through Facebook messages, friends and email. This research targeted 120 respondents, and the questionnaires were allotted to all members. However, out of 120 distributed questionnaires only 97 respondents filled as well as returned the survey. This gave a response rate of 80%.

![Response Rate](image)

Figure 7: Percentage of Response Rate

4.2 Data Interpretation of Respondents

4.2.1 Respondents Profile

<table>
<thead>
<tr>
<th>Gender</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>87.6</td>
</tr>
<tr>
<td>Female</td>
<td>12.4</td>
</tr>
<tr>
<td>Total</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Table 1.1: Percentage of Gender
As shown in Table 1.1 87.6% of the respondents were male while 12.4% were female.

**Age Group of Respondents**

<table>
<thead>
<tr>
<th>Age</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>20–25</td>
<td>17.4</td>
</tr>
<tr>
<td>25–30</td>
<td>17.4</td>
</tr>
<tr>
<td>30–35</td>
<td>43.5</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
</tr>
</tbody>
</table>

**Table 1.2: Age Group of Respondents**

As shown in Table 1.2, 43.5 percent of the respondents indicated the age group of 30-35 at the survey time. The next age group consisted of those over 30 with 21.7%. The age groups 20–25 and 30–35 shared the same percentage of 17.4.

**4.2.2 Restaurants Types**

<table>
<thead>
<tr>
<th>Restaurant</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fast Food</td>
<td>20.2</td>
</tr>
<tr>
<td>Family Restaurant</td>
<td>66.7</td>
</tr>
<tr>
<td>Buffet</td>
<td>13.1</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
</tr>
</tbody>
</table>

**Table 1.3: Type of Restaurants**

As shown in Table 1.3, there was quite a small difference between fast food and buffet restaurants, with the percentages of 20.2 and 13.1 respectively. For this
cohort, 66.7 per cent reported that they came from the family restaurant sector at time of the survey.

4.2.3 Designation of the Respondents

<table>
<thead>
<tr>
<th>Designation</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owner</td>
<td>56.3</td>
</tr>
<tr>
<td>Manager</td>
<td>19.6</td>
</tr>
<tr>
<td>Chef</td>
<td>14.6</td>
</tr>
<tr>
<td>Waiter</td>
<td>9.6</td>
</tr>
</tbody>
</table>

Table 1.4: Designation of Respondents

As shown in Table 1.4, the highest percentages of the respondents consisted of the owners of the restaurants (56.3). The smallest percentage consisted of waiters (9.6 %), and 19.6 per cent of the respondents disclosed that they were managers in restaurant with only a little difference from those reporting to be chefs (14.6 %).

4.3 Open Ended Questions

Apart from agree disagree queries, author asked some descriptive questions as well in survey. Few of respondents answer their questions

1. Based on your understanding, what is unique selling point of your restaurant?
   “A USP will reason why someone should select your restaurant. As we all know, foodies have a lot restaurant choices. They take decision every day where they will go for lunch, dinner or treat. The more your restaurant stands out, the more likely they will visit.”

2. Which social media-marketing platform used?
   “Mostly respondents response they use Facebook and Instagram for the promotion”

3. List any other promotion methods?
“Mostly stick out with Social media but some of them responded that they used newspapers and local new channel for promotion. At the last, they strongly replied that mouth marketing is best promotion method”.

4. List any three factor of restaurant performance

“Around 80% respondents responded that management and customer loyalty were prime factor of restaurant performance.”

4.4 Data Analysis Techniques

Data were examined through SPSS-25 version. The three approaches were implement to examined the data and test the hypothesis

4.4.1 Reliability Test of Data using Cronbach’s Alpha

<table>
<thead>
<tr>
<th>Variables</th>
<th>Cronbach’s alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product</td>
<td>0.490</td>
</tr>
<tr>
<td>Price</td>
<td>0.679</td>
</tr>
<tr>
<td>Place</td>
<td>0.70</td>
</tr>
<tr>
<td>Promotion</td>
<td>0.57</td>
</tr>
<tr>
<td>People</td>
<td>0.662</td>
</tr>
<tr>
<td>Process</td>
<td>0.8</td>
</tr>
<tr>
<td>Physical Evidence</td>
<td>0.68</td>
</tr>
<tr>
<td>Performance</td>
<td>0.679</td>
</tr>
</tbody>
</table>

Table 1.5: Reliability Test using Cronbach’s Alpha
Internal reliability of survey data were examined by Cronbach’s alpha. If the value of the alpha is below than 0.35, the data is less reliable and should be excluded. Table 1.5 clearly shows that values of Cronbach’s alpha has more than 0.35. Therefore, it is clear that feedback of respondents through survey had great internal reliability and it could be utilize for further analysis.

4.4.2 Descriptive and Correlations Analysis

<table>
<thead>
<tr>
<th></th>
<th>M</th>
<th>SD</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Product</strong></td>
<td>3.7</td>
<td>0.66</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Price</strong></td>
<td>4.0</td>
<td>0.70</td>
<td>0.071</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Place</strong></td>
<td>3.5</td>
<td>0.81</td>
<td>0.294</td>
<td>****</td>
<td>0.009</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Promotion</strong></td>
<td>4.0</td>
<td>0.77</td>
<td>0.195</td>
<td>-</td>
<td>0.075</td>
<td>0.444*</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>People</strong></td>
<td>4.2</td>
<td>0.66</td>
<td>0.329</td>
<td>****</td>
<td>0.11</td>
<td>0.416*</td>
<td>0.405*</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Process</strong></td>
<td>3.3</td>
<td>0.94</td>
<td>0.183</td>
<td>0.02</td>
<td>0.619*</td>
<td>0.362*</td>
<td>0.243</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Physical</strong></td>
<td>3.8</td>
<td>0.70</td>
<td>0.312</td>
<td>-0.23</td>
<td>0.442*</td>
<td>0.357*</td>
<td>0.493</td>
<td>0.32</td>
<td>1**</td>
<td></td>
</tr>
</tbody>
</table>
Table (1.6) displays mean, standard deviation and correlation of each variable. It is noticed that people has higher value of mean (4.2) then the others are as follows: price with mean (4.0), process with mean (3.35), physical evidence with mean (3.8), product with mean (3.7), physical evidence with mean (3.58), and promotion with mean (3.49). The mean value of the Restaurant Performance (3.30). Range of Correlation values of all variables lies between (0.071, 0.619). Hence, all variables are positively linked with each other.

4.4.3 Regression Analysis

As the correlation, analysis suggests there is significant connection between dependent variable (restaurant performance) and independent variables (7P’s Elements). Hence, further to figure out the influence on dependent variable by independent variables, seven hypotheses have been developed with the help of literature. Regression test was executed for investigate hypothesis. The outcomes of regression analysis are display in Table 1.7

<table>
<thead>
<tr>
<th>Variables</th>
<th>R</th>
<th>T-Value</th>
<th>Coefficient</th>
<th>F-Value</th>
<th>P-Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product</td>
<td>.487</td>
<td>3.677</td>
<td>.487</td>
<td>13.517</td>
<td>.000</td>
</tr>
<tr>
<td>Price</td>
<td>.029</td>
<td>0.278</td>
<td>.029</td>
<td>.077</td>
<td>.782</td>
</tr>
<tr>
<td>Place</td>
<td>.672</td>
<td>8.855</td>
<td>.672</td>
<td>78.404</td>
<td>.000</td>
</tr>
<tr>
<td>Promotion</td>
<td>.321</td>
<td>3.290</td>
<td>.321</td>
<td>10.826</td>
<td>.001</td>
</tr>
<tr>
<td>People</td>
<td>.253</td>
<td>2.551</td>
<td>.253</td>
<td>2.551</td>
<td>.012</td>
</tr>
<tr>
<td>Process</td>
<td>.587</td>
<td>4.311</td>
<td>.587</td>
<td>9.546</td>
<td>.000</td>
</tr>
</tbody>
</table>
Table 1.6: Impact of marketing mix variables on restaurant performance

Hypothesis 1

H1: Product, as a Marketing Mix component has a major and direct impact on the Restaurant performance.

In this study 48.7%, variance in restaurant performance is described by product. The variables are R (0.487), F (13.517) at P (0.000) describes model’s work well. The variable t (13.517) indicates the significant impact of independent variable on dependent variables. Therefore, the analysis of this study indicates that H1 is accepted.

Hypothesis 2

H2: Price, as a Marketing Mix component has a major and direct impact on the Restaurant performance.

Price describes only 2.9% variance in restaurant performance. The variable R (0.029), F (0.077) at P (0.782) reject the models. The variable t (0.278) also indicates that there is no significant impact of independent variable on dependent variable. Therefore, the analysis of this study indicates that H2 is not accepted.

Hypothesis 3

H3: Place, as a Marketing Mix component has a major and direct impact on the Restaurant performance.

67.2% variance in restaurant performance is described by place. The variable R (0.672), F (78.404) at P (0.000) describes the model’s work well. The variable t (8.855) indicates the significant impact of independent variable on dependent variables. Therefore, the analysis of this study indicates that H3 is accepted.

Hypothesis 4
H4: Promotion, as a Marketing Mix component has a major and direct impact on the Restaurant performance.

32.1% variance in restaurant performance is described by promotion. The variable R (0.321), F (10.826) at P (0.001) describes the model’s work well. The variable t (3.290) indicates the significant impact of independent variable on dependent variables. Therefore, the analysis of this study indicates that H4 is accepted.

Hypothesis 5

H5: People, as a Marketing Mix component has a major and direct impact on the Restaurant performance.

People describe 25.3% variance in restaurant performance. The variable R (0.253), F (2.551) at P (0.012) describes the model’s work well. The variable t (2.551) indicates the significant impact of independent variable on dependent variables. Therefore, the analysis of this study indicates that H5 is accepted.

Hypothesis 6

H6: Process, as a Marketing Mix component has a major and direct impact on the Restaurant performance.

58.7% variance in restaurant performance is described by Process. The variable R (0.587), F (9.546) at P (0.000) describes the model’s work well. The variable t (4.311) indicates the significant impact of independent variable on dependent variables. Therefore, the analysis of this study indicates that H6 is accepted.

Hypothesis 7

H7: Physical evidences, as a Marketing Mix component has a major and direct impact on the Restaurant performance.

Physical evidences describe 46.7% variance in restaurant performance. The variable R (0.467), F (7.125) at P (0.00) describes the model’s work well. The variable t (3.691) indicates the significant impact of independent variables on dependent variable. Therefore, the analysis of this study indicates that H7 is accepted.
4.5 Discussion

This study found that only one variable i.e. price has no direct impact on the restaurant performance while remaining six variables, product, people, physical evidence, promotion, place and process has direct impact on restaurant performance. The data finding also exerts that Place has been the most influential factor on restaurant performance. ‘Process’ is second element, which has impact on restaurant performance. This study reveals that Physical evidence is the third most impacting element on the performance. Product is found to be the fourth impacting element on performance. The fifth most impacting elements on the performance is promotion. The last and least impacting element on performance is found to be People. The outcomes of this study are found to be matched with some other studies where the authors found that these marketing variables have significant influence on performance of other products/services.

5 Conclusion, Recommendation , Limitation and Future Research

5.1 Conclusion and Recommendation

The purpose of this research was to find the impact of 7p’s elements on the performance of restaurants. The results of analysis in this study reveal that there is significant influence of marketing mix elements (people, place, product, process, promotion, and physical evidences) on the restaurants performances. So the marketers are advised to enhance the impact of all these elements to increase the performance of restaurants. Recommendation are below:

5.1.1 Customer Segments

Location comes as a most important antecedent of the customer segments. The first and foremost decision of the any entrepreneur is to find the good location. Location is where to locate him or her business. Building, Streets and organizations near by
the restaurant, which attract more customers. If location is not in the right place, then small entrepreneur cannot get more customers to stay in business. The locality tells about many things such as price range, type of service and menu selection. Moreover, the restaurant theme plays an important role to attract the customers. Customers think that location set the mood for dining experience with their friends, family member and with their colleague. Location also indicates that people aspects more quality food or good service as well.

5.1.2 Unique Selling Proposition

After the finalize the location of the restaurant, next point is what are their unique selling points. After analyzing our data, there are some factors, which can be unique for newly restaurant.

1. Main chef should be native people.

2. Give should proper training to their chefs.

5.1.3 Online Marketing

It is the way of promoting a products or service of any business or brand. Internet marketing helps drive traffic to website, generate leads and sales of any product or service. Customers use search engine and local review sites to find restaurant. There are many ways to promote new restaurant or existing restaurant. The website is an important part of any business or brand, so local customers can restaurant online. There are many factors, which depend up on the functional website.

- **Mobile Friendly:** Website design should be responsive. Therefore, it can open very easy in any device
- **Blog:** Truth is everything in the internet markerting. Using blogging restaurant can build their trust for their customers. The information and opinions of the restaurant can spread rapidly using blogging. In this way, newly restaurant can become more popular overnight. Moreover, restaurant also engage regional food bloggers. They can demand regional food blogger to review their restaurant by giving free meal. The external link of their restaurant helps in their ranking and builds online reputation.
• **Search Engine Optimized**: Search engine optimization is a way of growing visibility in search engine results. It includes both technical and element to improve ranking in search engine, increase traffic, increase awareness about services or brand. Search engine may be image search, video search and industry specific search. Newly or existing restaurant should make their website search engine optimization. Restaurant enlist their website on Google map and other search engine with proper address.

• **Hosting** Restaurant also make sure that their website must be hosted on good quality of server. Server includes these features such as 100 % uptime, unlimited space, technical support and security to their website.

• **Security**: Web application security is about securing our data and unauthorized access and modification of website. To secure website it is mandatory to use the SSL (Secure Socket Layer) certificates.

• **Pay per Click Advertising**: PPC is another way to reach your customer through paid advertising on Search engine network or Social media fans. Local restaurants can get lot of benefit from PPC because it provides more targeting options to advertising to reach out potential customer. The main aim of PPC is to visit their customer on specific landing page, which is built for restaurant website. PPC helps to grow their customer or increase sales of restaurant in very short period.

• **Grow your email database**: It is the procedure of building an email database of consumer or potential consumer. We can send discounts, special offers or can communicate directly with customers. Email marketing is more efficient than the traditional marketing. It is friendly and quicker way to approach their customer. Restaurant promote e-newsletters through social media and email marketing. It is better to restaurant buy tool for their email marketing rather than sending email from own email account that is very time consuming process.

• **Monitor review sites**: Website exists or dies on online reputation, so give more interest to what audience is talking about on online about restaurants. This is where consumers can notify the online domain about their views, opinion and share experience or ideas about restaurant. Reply quickly for positive reviews, say thanks to visitors and respond with respectfully for
negative reviews. Resolve negative reviews and build trust of your restaurant among online customers again.

5.1.4 Offline Marketing

- **Use Season for Restaurant Promotion Ideas:** There are so many ways to promote the restaurant and one of them is based on Seasons. For various seasons or occasions, there should be a specially planned menu, in which special offers should be mentioned. These should be on free delivery. There should be fine arrangement to organize the parties related to these occasions. Some special dishes should be labelled with special names related to special season/occasion. People will surely love your creativity and something special and different from the other ordinary restaurants.

- **Wine Tasting In Your Restaurant:** Almost all restaurants sell wine or beer. One can organize Wine tasting night once or twice in a year to run the restaurant positively. Wine tasting in restaurants are incredible approach to get additional business amid slower seasons. These kinds of dinners fits for small as well as big groups and are perfect for during busy seasons. Tast of wines are especially famous, for the reason that people love food and wine, particularly when they get together. Take care for one thing that lighter wines should be served in summer, while heavier in winters. People do not worry to go for work on the days like Saturday or Sunday, so such kind of events should be organized on Friday or Saturday. Meal should also be fine because people often drink more if they have taken a good meal.

- **Theme Dinner Party in Your Restaurant:** Organize a well-arranged Theme dinner part or Theme lunch party can attract people towards your restaurant. When coming up with a theme night idea, it is important not to diverge too dramatically from your menu, or you can risk unintentionally changing your restaurant’s image. Therefore, you should organize it in a fine systematic way. You should give the full enjoyable experience of a particular theme to your guests such as table clothes or napkins should be related to particular theme. If possible, waiters should learn a few typical word to make a good
impression; a romantic pleasant music should be there. Menu should be set with special offers on food and wine. Undoubtedly, all the arrangement will surely impress your client.

- **Make the “Food Event”:** In today's era, just mouth publicity is not enough to get good crowd in the restaurant. Change is the only constant and people do get bored easily, for that, you should try to weave out innovative restaurant promotions ideas that will keep you ahead of your competitors. A music festival, a Film Festival can be organized because new generation do not want merely a good food, it also want a nice atmosphere, good service, soothing music, cleanliness and attractive infrastructure. You must satisfy your guest with these. You can also give them offers on special events like 5% off to people who are visiting the concert or the events. This will compel them to visit your stall and it will increase the profits of your restaurant. After all, who does not want food items that will be easy in their pockets?

- **Membership Cards:** Restaurant owners must provide the membership card to their regular customers with special discount offer in it. For them it is like a Gift Card. Customers involved in restaurant membership card will most likely spend more money than new customers.

5.2 Limitation of the Study

This study also has some limitations. The first limitation is time constraint for the data collection because the data is collected only for the period of three months i.e. August to October (September and October) only. The second limitation of this study is that the data have been collected from employees of restaurants, the views of customers have not been considered in this study. The number of respondents (97), which is very few to generalize the results of any study, is also a major limitation of this study. Furthermore, the current study is hinged on survey method and the responses have been measured via self-reports (questionnaires). Hence, the probabilities of individual bias cannot be over ruled.
5.3 Future Research

As discussed earlier, this study is based only on the responses of employers of restaurants, further the responses of customers can be taken and compared with the responses of employees to find the deviations between their perceptions. Longitudinal studies can also be performed to find the changes in importance of these variables due to change in customers preferences.
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Appendices

Appendix 1. Survey of Marketing Mix Elements

Personal Details

Name: ____________________________________________

Gender: Male _________ or Female ___________

Designation: ____________________________________

Age: __________________________________________

Restaurant: ______________________________________

Marketing Mix Elements-

In this section, please tick the option

1= Strong Disagree (SD), 2 = Disagree (D), 3 = Indifferent (ID), 4= Agree (A), 5 = strongly agree (SA)

<table>
<thead>
<tr>
<th>No</th>
<th>Marketing mix attributes</th>
<th>Statements</th>
<th>SD</th>
<th>D</th>
<th>ID</th>
<th>A</th>
<th>SA</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Product</td>
<td>The meal served by the restaurant hot and fresh</td>
<td></td>
<td></td>
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<tr>
<td>2</td>
<td></td>
<td>The restaurant offers variety of foods</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>3</td>
<td></td>
<td>Packaging provided by restaurant is good</td>
<td></td>
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</tr>
</tbody>
</table>
6 Based on your understanding, what is unique selling point of your restaurant?

Ans –

<table>
<thead>
<tr>
<th>No</th>
<th>Marketing mix attributes</th>
<th>Statements</th>
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<tbody>
<tr>
<td>2</td>
<td>Price</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Price</td>
<td>The restaurant provides discounts.</td>
</tr>
<tr>
<td>8</td>
<td>Price</td>
<td>Restaurant offer prices that reflect the value of our product</td>
</tr>
<tr>
<td>9</td>
<td>Price</td>
<td>Restaurant offers values for money based on quality.</td>
</tr>
<tr>
<td>10</td>
<td>Price</td>
<td>Restaurant offers value for money based on quantity.</td>
</tr>
<tr>
<td>11</td>
<td>Price</td>
<td>Do you think price is important factor</td>
</tr>
<tr>
<td>3</td>
<td>Place</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>Place</td>
<td>It is very easy to reach your restaurant area.</td>
</tr>
</tbody>
</table>
13. Restaurant have number of branches

14. What kind of factor do you recommend while choosing location?

Ans

<table>
<thead>
<tr>
<th></th>
<th>Promotion</th>
<th>SD</th>
<th>D</th>
<th>ID</th>
<th>A</th>
<th>SA</th>
</tr>
</thead>
<tbody>
<tr>
<td>15</td>
<td>Do you use Social media marketing</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>16</td>
<td>The restaurants provides coupon</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>17</td>
<td>The Restaurant provide membership Card</td>
<td></td>
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</tr>
</tbody>
</table>

15. Do you use Social media marketing

16. The restaurants provides coupon

17. The Restaurant provide membership Card

18. Which social media platform mostly used for promotion?

Ans

19. List any other promotion methods?

Ans

<table>
<thead>
<tr>
<th></th>
<th>People</th>
<th>SD</th>
<th>D</th>
<th>ID</th>
<th>A</th>
<th>SA</th>
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</thead>
<tbody>
<tr>
<td>20</td>
<td>The restaurant staff friendly and polite</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>21</td>
<td>Restaurant has uniform dress</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>22</td>
<td>The restaurant provide delivery on time</td>
<td></td>
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</tbody>
</table>

20. The restaurant staff friendly and polite

21. Restaurant has uniform dress

22. The restaurant provide delivery on time
<p>| | | | | | |</p>
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<tbody>
<tr>
<td>23</td>
<td>The restaurant used any third party service for delivery</td>
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<tr>
<td>7</td>
<td>Physical Environment</td>
<td></td>
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<tr>
<td>24</td>
<td>Restaurant have enough parking space</td>
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<td></td>
<td></td>
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<tr>
<td>25</td>
<td>Restaurant decoration on based on theme</td>
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</table>

<table>
<thead>
<tr>
<th>Restaurant Performance</th>
<th>SD</th>
<th>D</th>
<th>ID</th>
<th>A</th>
<th>SA</th>
</tr>
</thead>
<tbody>
<tr>
<td>25</td>
<td>Does your restaurant have sufficient selection of healthy choices</td>
<td></td>
<td></td>
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<tr>
<td>26</td>
<td>Rate your staff ability to meet your Customer Needs</td>
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<tr>
<td>27</td>
<td>Do you think restaurant business is profitable</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>28</td>
<td>Your restaurant has good number of sales</td>
<td></td>
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</tbody>
</table>
29). State any other three factors that why your restaurant is different from competitor?

i) ........................................................................................................

ii) .................................................................................................

iii) ................................................................................................