



Consumer's alternative choice of restaurant substitution



1. Introduction

- **Objective of the study** : To define the market definition of the restaurant chain market and understand the factors that affected the customer behaviour toward the restaurant selection.
- **Scope of study** : Restaurant chain of Big corporates in Thailand (Central, Minor, and MK groups) and the expected of 300 to 350 set of data gathered from the online survey of all the customers resided in Thailand.
- **Significance of Study** : The result from this study can be used as a guideline for both restaurant businesses to develop their business model and government regulators to implement the policies effectively in accordance with the results from this research study.
- **Limitation of Research** : Time constraint , the Covid-19 situation, and the accuracy of the data gathered from the respondents because it was personal opinion

2. Literature review

The restaurants in Thai malls

By: Thansettakij, 2018

- The expansion of branches of Thai malls
- New strategy that make department stores as “ food destination “
- The increase of restaurants area

How do the restaurant chains group plan their restaurants?

By: Karen Glanz PhD, 2007

- There are 6 main restaurant chains
- Launching all types of restaurant that are on market demand
- Marginal profit is the key of making decision

2. Literature review

The Japanese restaurant in Thai malls

By: Pitsinee, 2019

- Thailand is the largest Asean market for Japanese food
- There are many Japanese restaurants that are conducted by the big food chain groups
- the growth of the market share that increase more than 10%
- Thai consumer behavior toward Japanese food is that they easily accept the Japanese food

The North-east Thai restaurants in Thai malls

By: Marketeer, 2019

- Esan food has progressed in the food industry
- it can serve every lifestyle of Thai people and foreigners as well

2. Literature review

The factors that make consumer's restaurant selection

By: Frank Cullen

Quality of the food

- Hygiene
- Taste



Restaurant's service

- Environment
- Service
- Comfort
- Noise
- Queue
- Parking

2. Literature review

The evaluation of waiting time

By: Piyush Kumar, Manohar U. Kalwani, Maqbool Dada



Waiting time

creates dissatisfaction



Waiting time guarantee

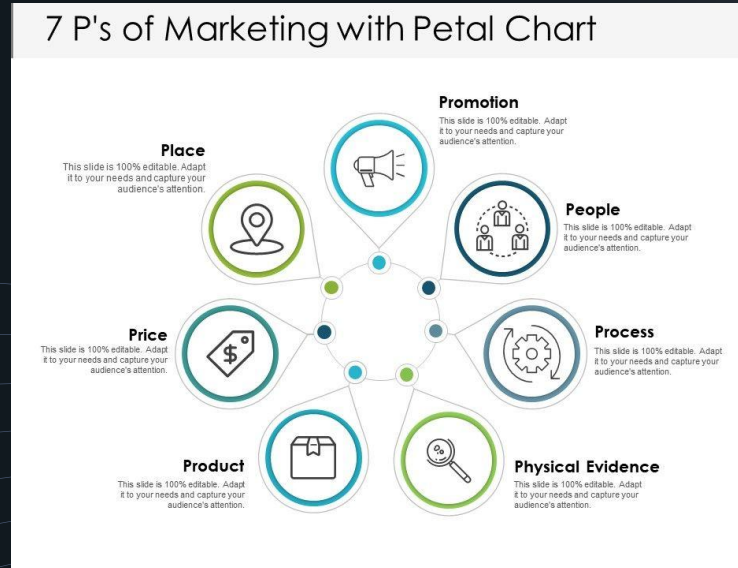
brings back satisfaction

3. Industry Background

- Total market value of 400 billion Baht
- There was 61,760 restaurants registered in the system (2012)
 - Independent restaurants
 - Franchise
- 6 Major Players : Singha Corporation, Oishi Group, Minor International, MK restaurant group, Zen corporation, and Central restaurant group
- The top 5 restaurant type that has the highest market share (400 billion Baht)
 - Cafe : 20 billion Baht
 - Hot pot restaurant : 19 billion Baht
 - Fast food (Chicken) : 18.7 billion Baht
 - Japanese restaurant : 18 billion Baht
 - Somtum restaurant : 16 billion Baht

4. Theoretical framework

Marketing mix (7Ps)



SCP Paradigm

- **Market Structure**
 - Market Value of the Food Service Market
 - Major Players in the Market
 - Market Characteristics
- **Market Conduct**
 - Market Strategies
 - Trends
 - Innovations
- **Market Performance**
 - Growth rate and expected growth rate
 - Chained and Unchained restaurant

5. Methodology

- Research method : Online survey
- Type of data : Cross-sectional data
- Population: Men/Women Location: Bangkok and metropolitan region
- Samples : 603 online surveys

Factors that affect the alternative restaurant selection

1. **Demographic factors** Ex: Gender, Age, Occupation, Living province
2. **Frequency factors** Ex: Frequency of going to restaurant at mall,
Frequency of eating fast food at malls, Frequency of eating Japanese
food at malls
3. **Lifestyle factors** Ex: Taste, service, brand , who you usually go with

Survey Summary

Total of 603 responses

- Gender : Male : 107 persons , Female : 489 persons, Others : 7 persons
- Age : Lower than 20 (116 persons), 20-25 year old (395 persons), 26-30 year old (34 persons), 31-35 year old (11 persons), 36-40 year old (6 persons), 41-45 year old (5 persons), and higher than 45 (36 persons)
- Occupation : Student (390 persons), Private employee (123 persons), Government Officer (30 persons), Entrepreneur (22 persons), Freelancer (12 persons), Driver (1 person), and Unemployed (22 persons)
- Average Income per month (bahts) : Below 8,000 (177 persons), 8,000-15,000 (195 persons), 15,001-25,000 (101 persons), 25,001-35,000 (58 persons), 35,001-45,000 (28 persons), and Above 45,000 (44 persons)
- Resident : Lived in Bangkok (372 persons) , Lived in other regions (231 persons)

Overall summary of data

Variable	Obs	Mean	Std. Dev.	Min	Max
gender	603	.8341625	.4022698	0	2
age	603	1.14262	1.030865	0	5
income	603	1.497512	1.478948	0	5
student	603	.6467662	.4783714	0	1
publicoffi-r	603	.2106136	.4080829	0	1
govofficer	603	.0497512	.2176111	0	1
bus	603	.0364842	.1876474	0	1
unemploy	603	.0381426	.1916995	0	1
freelance	603	.0199005	.1397743	0	1
bkk	603	.6169154	.4865422	0	1
notbkk	603	.3830846	.4865422	0	1
frqrest	603	1.154229	1.01374	0	3
frqff	603	1.330017	.5637539	0	2
frqwf	603	1.112769	.5192821	0	2
frqjf	603	1.311774	.648774	0	2
frqhp	603	1.427861	.5928869	0	2
frqef	603	.9966833	.7313499	0	2
frqtf	603	.7943615	.6603392	0	2
frqcf	603	.6235489	.6360509	0	2
taste	603	4.598873	.6084659	1	5
clean	603	4.524046	.650072	1	5
service	603	4.067993	.807165	1	5
brand	603	3.351575	1.041869	1	5
location	603	3.73466	1.032323	1	5
environment	603	3.633499	.8835929	1	5
variety	603	3.298507	1.161587	1	5
alone	603	.8756219	.6767025	0	2
fml	603	1.422886	.580932	0	2
partner	603	.6799337	.838472	0	2
friend	603	1.429519	.5614329	0	2
colleague	603	.7263682	.6569975	0	2
wtime	603	1.870647	.943513	0	4
same	603	1.092869	.4625499	0	2
diff	603	1.447761	.5515073	0	2
gohome	603	.5257048	.644877	0	2
_est_m	603	1	0	1	1

Variables	Variables Title	Description of Variables
Dependent variable (Yj)	same	In case that the target restaurant are not available, for all of the dependent variables : Never happen = 0, Sometime = 1, Often = 2
Dependent variable (Yk)	diff	
Dependent variable (Yl)	gohome	
Demographic factors (Xi)	gender	Male = 0, Female = 1, Other = 2
	age	
	income	
	student	Income per month (in a unit of Baht) One is student =1, Otherwise = 0
	publicofficer	One is public officer = 1, Otherwise = 0
	govofficer	One is government officer = 1, Otherwise = 0
	bus	One is bus driver =1, Otherwise = 0
	unemploy	One is unemployed = 1, Otherwise = 0
	freelance	One is freelance =1, Otherwise = 0
	bkk	One is resided in BKK = 1, Otherwise = 0
notbkk	One is not resided in BKK = 1, Otherwise = 0	

Frequency Factors (Fi)	frqrest frqff frqwf frqjf frqhp frqef frqtf frqef	The frequency of restaurants visiting before the Covid-19 situation : Lower than once a week = 0, 1-2 times per week = 1, 2-3 times per week = 2, More than thrice a week = 3. From frqff to frqef : Never = 0, Sometime = 1, Often = 2 frqff = Fast food frqwf = Western food frqjf = Japanese food frqhp = Hot pot restaurant frqef = Isaan food restaurant frqtf = Thai food frqef = Chinese food
Lifestyle Factors (Li)	taste clean service brand location environ ment variety alone fml partner friend colleag ue wtime	Taste of food Cleanliness of the restaurant Service quality of the restaurant Brand awareness Location of the restaurant Atmosphere of the restaurant Variety of menus Go to restaurant alone Go to restaurant with family Go to restaurant with partner Go to restaurant with friend Go to restaurant with colleague **(All the factors including alone, fml, partner, friend, and colleague : Never = 0 , Sometime = 1, Often = 2) Waiting time

$$Pr(Y = p) = \sum_{i=1 \dots 603, p=0,1,2} X_{pi} \beta_p^* + \sum F_{pi} \delta_p^* + \sum L_{pi} \gamma_p^* + \varepsilon_i$$

Model 1: When the dependent variable is same (Y_j)

$$Pr(Y_j = 0,1,2) = \sum X_{pi} \beta_p^* + \sum F_{pi} \delta_p^* + \sum L_{pi} \gamma_p^* + \varepsilon_i$$

Model 2: When the dependent variable is diff (Y_k)

$$Pr(Y_k = 0,1,2) = \sum X_{pi} \beta_p^* + \sum F_{pi} \delta_p^* + \sum L_{pi} \gamma_p^* + \varepsilon_i$$

Model 3: When the dependent variable is gohome (Y_l)

$$Pr(Y_l = 0,1,2) = \sum X_{pi} \beta_p^* + \sum F_{pi} \delta_p^* + \sum L_{pi} \gamma_p^* + \varepsilon_i$$

- Y is the dependent variable consisted of Y_j , Y_k and Y_l (same,diff,gohome)
- X_{pi} is the demographic factors that are consisted of gender, age, income, student, publicofficer, govofficer, bus, unemploy, freelance,bkk and not bkk
- F_{pi} is the frequency factors that are consisted of frqrest, frqff, frqwf, frqjf, frqhp, frqef, frqtf and frqcf
- L_{pi} is the lifestyle factors that are consisted of taste, clean, service, brand, location, environment, variety, alone, fml, partner, friend and colleague.

Correlation of the demographic factors and frequency of eat-out in restaurants at malls

```
. correlate gender age income student publicofficer govofficer bus unemploy freelance b
> kk notbkk frqrest
(obs=603)
```

	gender	age	income	student	publicofficer	govofficer	bus	unemploy
gender	1.0000							
age	-0.0390	1.0000						
income	-0.1906	0.5036	1.0000					
student	0.1094	-0.0762	-0.0189	1.0000				
publicofficer	-0.0803	0.2483	0.5224	0.0073	1.0000			
govofficer	0.0375	0.3386	0.2533	-0.0383	-0.1182	1.0000		
bus	-0.0297	0.2908	0.2398	-0.0598	-0.1005	-0.0445	1.0000	
unemploy	0.0391	0.1910	-0.0846	-0.0159	-0.1029	-0.0456	-0.0388	1.0000
freelance	-0.0298	0.0610	0.0083	-0.0438	-0.0736	-0.0326	-0.0277	-0.0284
bkk	-0.0875	0.0561	0.1845	-0.0114	0.2146	-0.1805	-0.0468	-0.0212
notbkk	0.0875	-0.0561	-0.1845	0.0114	-0.2146	0.1805	0.0468	0.0212
frqrest	-0.0512	-0.0545	0.1338	-0.0382	0.0980	-0.0650	0.0140	-0.0132

	freelance	bkk	notbkk	frqrest
freelance	1.0000			
bkk	-0.0098	1.0000		
notbkk	0.0098	-1.0000	1.0000	
frqrest	-0.0100	0.1907	-0.1907	1.0000

Correlation of the types of restaurant, who going with and waiting time

```
. correlate frqff frqwf frqjf frqhp frqef frqtz frqcf alone fml partner friend colleagu
> e wtime
(obs=603)
```

	frqff	frqwf	frqjf	frqhp	frqef	frqtz	frqcf	alone
frqff	1.0000							
frqwf	0.4344	1.0000						
frqjf	0.1724	0.2850	1.0000					
frqhp	0.0838	0.1775	0.3350	1.0000				
frqef	0.0470	0.1060	0.1877	0.2485	1.0000			
frqtz	-0.0182	0.0241	0.1770	0.1869	0.4079	1.0000		
frqcf	0.0320	0.0835	0.2326	0.1767	0.3080	0.5352	1.0000	
alone	0.0860	0.0400	0.0317	-0.0369	-0.0948	-0.0425	-0.0858	1.0000
fml	-0.0616	0.1005	0.1212	0.2262	0.1558	0.1491	0.1393	-0.2590
partner	-0.0538	-0.0123	0.1746	0.1256	0.1879	0.1329	0.1911	-0.1991
friend	0.1864	0.1584	0.1425	0.1556	0.1168	0.1490	0.0861	-0.0166
colleague	0.1142	0.1295	0.1147	0.1433	0.1710	0.1573	0.1466	-0.0543
wtime	0.1179	0.0502	-0.0344	-0.0167	0.0331	0.0159	0.0018	0.0372

	fml	partner	friend	colleague	wtime
fml	1.0000				
partner	-0.0047	1.0000			
friend	-0.0893	-0.0745	1.0000		
colleague	0.0121	0.1272	0.2111	1.0000	
wtime	-0.0091	-0.0629	0.0204	0.0339	1.0000

Marketing mix

```
. su brand clean environment location service taste variety
```

Variable	Obs	Mean	Std. Dev.	Min	Max
brand	603	3.351575	1.041869	1	5
clean	603	4.524046	.650072	1	5
environment	603	3.633499	.8835929	1	5
location	603	3.73466	1.032323	1	5
service	603	4.067993	.807165	1	5
taste	603	4.598673	.6084659	1	5
variety	603	3.298507	1.161587	1	5

```
. tab same
```

same	Freq.	Percent	Cum.
0	39	6.47	6.47
1	469	77.78	84.25
2	95	15.75	100.00
Total	603	100.00	

```
. tab diff
```

diff	Freq.	Percent	Cum.
0	17	2.82	2.82
1	299	49.59	52.40
2	287	47.60	100.00
Total	603	100.00	

```
. tab gohome
```

gohome	Freq.	Percent	Cum.
0	336	55.72	55.72
1	217	35.99	91.71
2	50	8.29	100.00
Total	603	100.00	


```

. margins, dydx(*) pr(out(2))

Average marginal effects          Number of obs   =       603
Model VCE      : OIM

Expression      : Pr(gohome==2), predict(out(2))
dy/dx w.r.t.   : gender age income student publicofficer govofficer bus unemploy
                : freelance bkk notbkk frqrest frqff frqwf frqjf frqhp frqef frqtf frqcf
                : taste clean service brand location environment variety alone fml
                : partner friend colleague wtime

```

	Delta-method				
	dy/dx	Std. Err.	z	P> z	[95% Conf. Interval]
gender	-.0432097	.0282659	-1.53	0.126	-.0986098 .0121903
age	-.0015909	.0153552	-0.10	0.917	-.0316866 .0285049
income	-.0083211	.0124203	-0.67	0.503	-.0326644 .0160222
student	-.0189872	.0230188	-0.82	0.409	-.0641034 .0261289
publicofficer	-.0944046	.0505485	-1.87	0.062	-.1934779 .0046687
govofficer	-.0394454	.0662205	-0.60	0.551	-.1692352 .0903445
bus	-.0299598	.0651891	0.46	0.646	-.0978084 .157728
unemploy	.0375312	.0541576	0.69	0.488	-.0686158 .1436781
freelance	.0106776	.0634083	0.17	0.866	-.1136004 .1349555
bkk	-.046322	.0244355	-1.90	0.058	-.0942148 .0015708
notbkk	0	(omitted)			
frqrest	-.0088421	.0129369	-0.68	0.494	-.034198 .0165138
frqff	.0445346	.0233492	1.91	0.056	-.001229 .0902981
frqwf	.0382081	.0249813	1.53	0.126	-.0107543 .0871705
frqjf	-.0629656	.0203617	-3.09	0.002	-.1028739 -.0230574
frqhp	-.0022144	.0209449	-0.11	0.916	-.0432656 .0388368
frqef	-.0023977	.017805	-0.13	0.893	-.0372949 .0324994
frqtf	-.0015674	.0224852	-0.07	0.944	-.0456375 .0425027
frqcf	-.0130451	.0244226	-0.53	0.593	-.0609125 .0348223
taste	.0069158	.0187823	0.37	0.713	-.0298969 .0437284
clean	-.0276493	.0191313	-1.45	0.148	-.065146 .0098474
service	.0046854	.0165043	0.28	0.776	-.0276624 .0370332
brand	.0094147	.0114202	0.82	0.410	-.0129685 .0317978
location	-.0026261	.0123136	-0.21	0.831	-.0267604 .0215082
environment	-.0172304	.0147138	1.17	0.242	-.0116081 .0460688
variety	.0138803	.0106796	1.30	0.194	-.0070513 .0348119
alone	.0130844	.0170933	0.77	0.444	-.0204178 .0465867
fml	-.0349522	.0206931	-1.69	0.091	-.07551 .0056056
partner	.0056025	.0158468	0.35	0.724	-.0254566 .0366615
friend	-.0348477	.0218985	-1.59	0.112	-.077768 .0080725
colleague	.0088514	.0191614	0.46	0.644	-.0287042 .046407
wtime	-.0105144	.0113669	-0.93	0.355	-.032793 .0117643

Conclusion

- Regression of Multinomial Logistic form.
- Analyze the correlation between variables and statistical data.

Results :

1. Income, occupation, living region only affect the frequency of going to restaurant in malls
2. People value taste as the first priority followed by cleanliness, service quality
3. Isaan food restaurant is the type of restaurant that consumers highly intend to stick with the same type when it comes to their alternate choice.
4. People tend to still go to other restaurants instead of eating outside malls
5. People's preference is more than one since their second choice tend to be different type of restaurants more than same types as their alternative choice

Suggestion

- Food chain groups should consider various type of restaurants
- People tend to eating out with family and friend, they mostly go with their family and they usually value the taste of food as their top priority of restaurant selection
- Isaan food is on the uprising trend which has the market value of 16 billion Baht

Limitations

- Time constraint
- Sample size is not big enough compare with the actual size of the population
- COVID-19 pandemic that influence the biased survey outcome

1. Phatipol Tiwitsirikul 5904640298
2. Nutthakit Chaikaeosakunchai 5904641122