QATAR UNIVERSITY

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THE CHALLENGES HOTEL RESTAURANTS FACE IN

THE HOSPITALITY INDUSTRY IN QATAR

BY

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# ABSTRACT

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Title: The Challenges Hotel Restaurants Face in the Hospitality Industry in Qatar

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This study is about the challenges faced by restaurants inside 4 and 5-star hotels in Doha Qatar. There are many challenges discussed, such as cash flow, inventory management, staff management, customer complaints and preferences, operating during busy hours, and much more. Out of all the challenges, the biggest challenges were making sure that having a liquor license brings profit, the location of the restaurant in the hotel being a challenge, and the hotel atmosphere affecting the restaurants positively or negatively. A survey sent to 40 restaurant managers, was done to prove that the three aforementioned challenges are the most important ones faced by restaurants in hotels, with the hotel atmosphere being the biggest difficulty. Restaurant managers must try to work around these difficulties to stay successful and be ahead of competition to maintain a competitive advantage.

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# TABLE OF CONTENTS

# LIST OF TABLES

# LIST OF FIGURES

# INTRODUCTION

Hotels all around the world have restaurants in them of all kinds, with various foods and cultures. International hotels such as Marriot, Intercontinental, Hilton, 4 Seasons, Radisson Blu, and Shangri La, are hotels available in many countries, and may face many different cultural and food concepts as they serve different people all around the world. This can at times be a challenge, as in some countries, those hotels give certain food concepts and are used to a certain culture, while in other countries, it may be very different. This must be compensated for by having various international dishes of all kinds in hotel restaurants, as some customers may come from various backgrounds and have certain food preferences that must be available in hotel restaurants. Having foods that are only preferred by local customers will lead to upsetting international customers who are visiting from various countries.

When a restaurant is located in a hotel, it must have international food concepts from all over the world, as customers may come in from various backgrounds. Having only locally preferred foods may be preferred by local guests, but not by international guests. This is a major difference between hotel restaurants and stand-alone restaurants. Stand-alone restaurants can have locally preferred foods as per the country they are in. Having similar foods from other countries that are not too different, is also possible. There can also be stand-alone restaurants that have international food concepts that are very different. However, there may be only a few stand-alone restaurants as such, since restaurants with various international foods are more common in hotels. Therefore, hotel restaurants must try to have as many different international foods as possible, because they may never know where their

guests may come in from. Observing what foreign nationalities visit the country where the hotel is located can also help and give an idea of what to serve.

Most restaurants inside hotels may tend to look fancy and formal, as they are in a hotel serving various guests from all around the world, and must look well presentable. Such hotel restaurants may also be slightly more expensive than stand-alone restaurants, but not always. Such restaurants must impress guests coming in from various countries and must give a good impression, to make the guests come back again.

Qatar has many different international hotels such as the ones stated above. These hotels have various restaurants of all kinds that may satisfy international customers as well as local customers. Hotel restaurants in Qatar tend to look fancy and formal, and most of them are slightly more expensive then restaurants outside the hotel. Qatar has people from all over the world residing in Qatar, each from various backgrounds and cultures. There are also guests that come to visit from all over the world. Therefore, Qatar having various food concepts in their hotel restaurants is a big advantage. Hotel restaurants in Qatar have food concepts from various countries, such as: Greece, Lebanon, America, Italy, India, Syria, China, and Brazil, to name a few. This is an advantage as they can satisfy guests from various backgrounds. Qatar does have stand-alone restaurants that have international food concepts from various countries. However, they are only a few, as such restaurants with foreign and international food concepts are mainly found in international hotels in Qatar.

Apart from deciding what foods to serve in hotel restaurants in various countries depending on where guests may be coming from, all hotel restaurants may face common challenges in their daily operations. Such challenges can be problems

with restaurant staff, not making enough revenues, having high costs, being located in a place that is hard for customers to see in the hotel, or being affected by the hotels atmosphere.

This study is about the challenges that hotel restaurants face. There are many difficulties faced, and how restaurant management handles and works around these challenges guarantees success and a competitive advantage. We will discuss the many difficulties faced by restaurants inside hotels, then we will show which challenges are the biggest, through a survey that various restaurant managers participated in.

# LITERATURE REVIEW

There are many challenges in the hotel restaurant industry. Hotel and restaurant managers, as well as the hotel restaurants themselves, face a lot of challenges in their normal and daily operations. These challenges can be due to various reasons. Let's start by discussing each.

The owner of the hotel may not always be around to watch and monitor how the hotel restaurants are operating. There can be possible problems that the owner must be present to see, and therefore resolve. There may be some problems that the owner may not pay much attention to, or may overlook and be clueless. Such problems will stay as they are or may escalate. If the owner is hungry for power and doesn't listen to what the hotel and restaurant employees have to say about the normal day to day business, that is also a disadvantage.

Some problems can happen because of the employees. If they are not satisfied with their job or are overworked or underpaid, this can lead to negative behavior in the hotel restaurant workplace, as well as a high turnover and absence rate. They may cook and intentionally make mistakes while working on the food, and may possibly attempt to steal. Giving special attention to the employees in the restaurant is one of the most important things to do in restaurant management in order to avoid potential problems. Results of high turnover can be extra costs for hiring and training new personnel. In Europe for example, there are hotels with staff that have been working there for over 20 years. This is because the hotel takes care of them and listens to their concerns, and in return the employees take care of the hotel and are well productive. In the unlikely event that employees in hotels in Europe are unhappy, they go on strike. However, in the United States, they usually steal. The majority of hotel employees in Europe are professionals and are well experienced in this industry,

whereas in the United States, only the top people in hotels are professional. The rest, such as the restaurant employees and more, are simply immigrants working only for a short term there. (Landis, 2014)

Restaurant staff need special attention, as they can affect profitability and guest satisfaction. However, giving them the special attention needed can also be difficult. Research concerning human resource management for hotel staff, including restaurant employees, has been done. The results include the following eight points. First, the work-life balance for restaurant staff, work stress that leads to employee "burn out" for staff that maintain very long work shifts every day and work "unsocial hours". Second is the determinants of satisfied staff, and the important role that staff empowerment can play. Third is the relationships between satisfied staff and satisfied guests, which can indirectly lead to the correlation between staff attitudes and profitability. Forth is the importance of staff training. Fifth is the problem of qualified staff turnover, which might lead to the employment of casual staff and non-nationals, who may come and go and are not stable employees. Sixth is the advantages and disadvantages of restaurant staff that come from many different nations and may have various cultures and backgrounds. Seventh is the role of staff in creating positive and negative incidents that may not happen often. And lastly, theft by staff, which can be avoided if staff are given attention and well compensated for good efforts. (Ryan, 2015)

A restaurant should be managed and looked out for as if it is a regular business. The money going into the restaurant as revenues and out of the restaurant as expenses, should be monitored and taken care of. Joy Ugi, the marketing manager of a restaurant application named Orderly, states: Hotel and restaurant managers don't run their restaurants the same way as a business. When the management doesn't pay much

attention to the profits coming in compared to the money going out, the hotel or restaurant may bleed money. The processes are manual and out of date around such back-of-house tasks, which is the reason why it is believed that lots of managers refrain from doing them properly. Therefore, the management and back of house employees must pay good attention to the restaurant finances. (Ugi, 2015)

When the restaurant is running during busy hours, this is very good for business and it's profitable. However, some problems may arise due to too many customers being present all at once in the restaurant. Such problems can include confusion of the food customers ordered, not hearing, focusing on, or understanding the order of the customers due to a lot of noise in the crowded restaurant, delivering the wrong food to the wrong tables, taking too much time to deliver the food, the chefs not being able to keep up with too many orders on time, and the customers not knowing what are the special meals or possible things they might like to order. More attention must be given to customers during such busy and crowded hours in order to avoid such mistakes. (Patil, 2015)

Inventory management is a very big and important issue. Keeping track of raw material and kitchen inventory is a tough task that needs to be managed well in order to maintain a smooth and sustainable operation of the restaurant. Running out of stock for raw material or kitchen inventory can cause problems, such as customers not being satisfied when their order can't be granted due to missing inventory. Always keeping a minimum amount of all supplies in inventory is a must, and can help avoid such a problem.

Billing can also be an issue. Calculating how much revenue is made and how much is spent on internal expenses and utilities is a tough and time-consuming job

that requires automation and careful monitoring. This is a very crucial task, as it can tell whether the restaurant is making money or losing money. Therefore, revenue management is very essential**.** According to Kimes (1989): Revenue management (RM) is the process of spreading and distributing the right kind of capacity to the right type of customer at the right price to make the revenue or yield as high as possible, at the right time and through the right customer distribution channel. Factors necessary for effectively implementing RM include: perishable inventory, limited capacity, unstable or fluctuating demand, appropriate customer segmentation, availability of advanced bookings and low marginal sales cost. Table 1 shows the extended framework for hospitality revenue management process. (Guillet, Mohammed, 2015)

Marketing and customer analysis is a big and important issue. Knowing how to advertise to the target market segment and doing customer analysis for such a segment is not an easy task. Customer preferences must be studied, carried out in the restaurant, and shown in advertisements to the target market. Customer relationship management is also a tough job. Maintaining current customers and reaching out to new ones is part of marketing, and can be done through SMS, emails, loyalty programs, discounts, memberships, and many other ways. Keeping customers satisfied by meeting their demands and avoiding the possibility of having angry customers is also important.

Focusing on customers is another important issue. Keeping customers satisfied is one of the keys to ensuring that they will be willing to come back to the restaurant again. Customer orders and demands should be well taken care of and made sure that they are met. Delivering food as they ordered it and in a timely basis is part of having good service. Some customers can be difficult to handle and may not be satisfied. To deal with such customers, patience, understanding, and good communication skills are

needed. In such an unfortunate case where something goes wrong with a customer order, the restaurant manager must try to compensate the customer by giving them a free meal or a discount to keep them happy and to avoid spreading a negative image of the restaurant. It's also important to hear their suggestions and comments to see if there is something they didn't like, and try to fix that problem. These contribute to restaurant improvement, customer loyalty, and a good image of the restaurant in the minds of its customers.



Figure 1: *Extended Framework for Hospitality Revenue Management*
Source: (Guillet, Mohammed, 2015)

It is also important to focus on customers because different customers have different experiences. Bonnie J. Knutson states that each customer is unique, and brings to the restaurant a different background, different values, attitudes and beliefs. Everyone undergoes it through individualized "rose-colored glasses", which are different among people. Johnson (2009) examined the management of service quality and emotions among various customer relationships. Due to different customer experiences, it is very essential to maintain a balance between the quality of service and price, to enhance positive experiences for customers. A study done by Ryu and Jang's (2008) shows 6 service facility factors that have a good influence on customers' perception of supreme restaurant experience, which include aesthetics, ambiance, lighting, service product, layout, and social. Morgan (2008) examined that employees, processes, and physical evidence, can be used to manage the meal experiences for customers in dining rooms. The resulting level of satisfaction and loyalty of customers, is influenced by employee interaction and product quality. Therefore, maintaining a good experience for customers can also be a challenge. (Kandampully, Zhang, Jaakkola, 2018)

Creating a relationship with customers can also be a challenge, however it is very beneficial. Interactions between customers and employees can provide good opportunities to form a relationship with the customer, and to learn more about them and maintain a good experience for them. Therefore, relationships between customers and employees often lead to positive experiences for customers, stated Hur (2015). McColl Kennedy (2015) stated that in service contexts, good relationships and experiences between customers and employees lead to making memorable experiences, which employees help to build. See table 1 for more about customer experience and relationships. (Kandampully, Zhang, Jaakkola, 2018)

Table 1

*Insights of Customer Experience Management in Hospitality*

| Key Insights | Important concepts for further research |
|---|---|
| Hospitality is about extensive customer-emplyee relationships | Employee emotion management |
| | Time duration of service encounter |
| | Employee engagement |
| | Employee citizenship |
| | Service climate |
| Service is an integral part of the hospitality experience | Service design |
| | Service-oriented leadership |
| Customer-to-customer interaction is imperative for the hospitality experience | Customer misbehavior |
| | Type of patronage |
| | Frequency and depth of exchanges between customers |
| | Type of customer interactions |
| | Type of customer personalities |
| | Online vs offline interactions |
| Employees play a key role in creating unique, memorable, positive experences in the hospitality industry | Fun working environment |

Source: (Kandampully, Zhang, Jaakkola, 2018)

Restaurant quality and relationships among employees and customers are very much related. Richard Teare states that the main implication here is that managers should look to create an organizational atmosphere that helps in supporting efforts to improve quality and intensify the nature of communications between employees and customers. The personalities of restaurant staff determine how well they can do the role of maintaining good relationships with customers, which leads to the selection of employees that have a personality suitable for this role. Selecting such employees who are fit for the job, along with other selection techniques, assist in reducing employee turnover, and improve levels of customer satisfaction, by finding the right and qualified staff. Finding such staff is a tough task. (Teare, 1996)

Not being exposed on the street like standalone restaurants is a big obstacle as well as a big disadvantage. A restaurant inside a hotel can be hard to see, making it very hard for customers outside the hotel to know about it. Only hotel customers will know about it, which are only a few, compared to the potential customers from outside the hotel. When a restaurant is exposed on the street where everyone can see it, people are more likely to go there and try it. If it's in a hotel, it's hard to know about, leading to the hotel restaurant losing potential profits since it's in a hidden location. To try and avoid this problem, the restaurant must try to advertise more to be shown to the public and customers outside the hotel. This will lead to higher advertising costs, which is another obstacle. The location of a restaurant can also influence prices, making them higher or lower. For example, a hotel restaurant located outside on a beach shore may possibly have higher prices than a restaurant that's indoors with lower prices. Chris Ryan states: As usual, location maintains a very important role, and studies are being done to prove whether a location on a shoreline or beach permits higher prices to be charged. Restaurants in more exposed locations

in the hotel can have a higher rent than unexposed or hidden locations inside the hotel, making location a challenge due to possible higher rent in a more exposed space as well. (Ryan, 2015)

Location is one of the most important and long term strategic decisions for a restaurant, and a key determinant of success. A good location is essential for success, as it attracts a lot of customers and has an impact on profitability (Chou, 2008; Craig, 1984; Timor and Sipahi, 2005; Durvasula, 1992). A good location strengthens the convenience of dining for customers, has a strong positive impact on customer loyalty, and reduces the payoff period for fixed capital investments paid for by the restaurant (Chou, 2008; Ramanathan and Ramanathan, 2011). Location selection is a decision-making problem with many criteria to take into consideration, as many trade-offs are considered (Smith, 1995; Tzeng, 2002). Trade-offs are made by restaurant owners and/or managers based on factors such as infrastructure (highways, transportation convenience, and parking capacity) (Austin, 2005; Tzeng, 2002), levels of competition (Litz and Rajaguru, 2008), cost factors (Smith, 1995), accessibility and visibility (Melaniphy, 1992), and patterns of consumer traffic (Timor and Sipahi, 2005). Therefore, location is very crucial to the selection process for both customers and restaurant owners and managers, and is an important challenge faced. (Prayag, Landré, Ryan, 2012)

Since hotels operate 24 hours a day, hotel restaurants are expected to be open longer, for extended hours, to serve possible customers coming in late. This can lead to higher costs, such as labor and utility expenses, even when demand may be much less late in the evening. This can lead to a possible loss in overall profit if these extra costs for operating late are higher than the demand or revenue made late in the evening. This is a major difficulty since some hotel restaurants are required to stay

open late. The restaurant must be known to the public outside the hotel, to have customers other than the hotel customers coming in, to possibly compensate for these extra costs and still be profitable. This is difficult especially for new hotel restaurants that are still not very well known or profitable yet. Such restaurants may not be able to afford the extra expenses of operating late.

Other possible things in the restaurant that might increase costs are the ways in which the utilities, such as water and electricity, are used. Too much water consumption in the restaurant can be a problem if it leads to extra costs. Also, certain light bulbs used can also increase electric costs. Such utility costs must be reduced; however, it may be bad for business to try and use less water. A possible way to cut down on electricity costs would be to use more efficient light bulbs. However, such light bulbs might negatively affect or change the internal restaurant environment and ambiance, which may be a key feature of the restaurant. Therefore, these are also important issues that are faced. (Mealey, 2018)

On weekends or during busy hours, another problem faced by hotel restaurants is that they may have a lot of customers outside the restaurant waiting to be seated. They may have a long waiting list. This can cause trouble especially for hotel restaurants since they can't expand, due to the limited space they have in the hotel. Also, it may be difficult, if not impossible, to move to another location that is bigger and outside the hotel, if this problem is faced every day. This can cause customers that are waiting, to leave if they are not willing to wait. This results in a loss of potential profit. To avoid this problem, the restaurant must try to forecast its sales ahead of time, to choose a good location or hotel for the potential dining space it will need.

During an economic recession, hotel restaurants can suffer, since it is likely that there will be less customers, and therefore less revenues coming in. The restaurant may be operating at optimization and running well, but may suffer from not enough revenues flowing in during a recession when people are more sensitive to their spending and less likely to dine out. This can be a problem especially when the restaurant must pay rent for the space in the hotel. The rent in a hotel may possibly be higher than a stand-alone restaurant. During recessions, it may have difficulty paying its rent as well as other expenses. New restaurants may also suffer during economic recessions. Since they are still new and starting up, they need to make a certain amount of revenue to keep going and not shut down soon after they open. During recessions, this is a very difficult task. When the new restaurant is still not very well known, this is an even bigger obstacle in a recession.

Since the restaurant is in a hotel, and most customers will probably be the hotel residents, they will most likely want to eat close to their rooms in the hotel. Therefore, it is possible to have the same guests for all three meals of the day. Mark Anderson (2016), Vice President of food and beverage for Wyndham Hotels & Resorts, stated the following: We serve three meals a day, every single day of the year, and in most cases, we never close, we must constantly satisfy our guests and attend to their needs. Therefore, the restaurant must know more about its guests and their preferences to keep them satisfied, as they are likely to be frequent customers, since they live in the hotel. James Draper (2016), a chef at the Hyatt Regency Jacksonville (Fla.) Riverfront, states: Sometimes it is quite a challenge to impress everyone for several meal periods, the key is to know your customers well and adjust to their wants and needs. Since we are in a hotel, we can get to know our guests on another, more advanced level. Keeping those customers satisfied to the same level for

all 3 possible meals a day they might have in the hotel, can be a challenge, which requires knowing the customer more and knowing there wants, needs, and preferences. (Mest, 2016)

Focusing on the idea and concept of the restaurant can be a difficult task. If the restaurant is a Lebanese restaurant for example, it must have a taste of the Lebanese culture and traditions, along with the Lebanese food. These will help in showing the flavor of the restaurant, especially since the hotel residents who are likely to be the most frequent visitors, may be from various nationalities, since they are just visiting and staying in a hotel. So, the hotel restaurant must have its team of operations, work together to maintain this concept. Chef Thierry Blouet (2016), from Café des Artistes in Los Cabos, Mexico stated: The hotel has its own team for operations, and the hotel's restaurant needs to have its own team to have its own flavor, the hotel restaurant needs to be legitimate, so creating a team is the greatest challenge. When guests go visit your restaurant, they want to feel that it is its own unique experience. Otherwise, the restaurant will lose its identity. Therefore, the restaurant must maintain its flavor and identity, or it will lose its image in the eyes of different nationalities in the hotel. (Mest, 2016)

Another possible issue is, since a restaurant is in a hotel, there may be quite a walking distance from the entrance of the hotel to the restaurant. This may discourage external customers outside the hotel from coming in, if there is a long walk through the hotel lobby, or if the restaurant is hard to find for first comers. A possible solution for this issue is to try and have a separate entrance from outside the hotel, directly to the restaurant, making the restaurant easy to find. Restaurants that don't have a separate access may be at a disadvantage due to this issue, but this can be avoided by increasing advertising for the restaurant on social media and putting up signs in the

hotel, in order to maintain its presence. Hotel restaurants also attract customers who are not guests in the hotel, however, certain hotels may have a more advanced position for this than other hotels. Anderson (2016) states: A typical hotel restaurant is located inside a hotel, but has direct access to the street for customers who don't want to walk through the hotel lobby. Such restaurants possess an independent feel, since they don't prolong the walk from the street to the restaurant, but interior dining rooms are not really at a disadvantage if they retain a strong and well-known presence on social media. (Mest, 2016)

The atmosphere of the hotel can also be an obstacle. If the atmosphere of the hotel is not very good, it may discourage customers from going to its restaurants. Maintaining a good atmosphere in the hotel may be difficult if the hotel is heavily populated. Also, it may be difficult to have all employees implementing a good atmosphere at the same time throughout the hotel. The internal layout and looks of the hotel must also be adjusted to implement a good atmosphere. Aligning these 3 factors to maintain a good atmosphere in the hotel, leading to customers to want to go to the restaurants, can be difficult. Along with the atmosphere is the image of the hotel, which also must be aligned among the 3 factors discussed. The hotel image gives a good reputation and taste of the hotel and its restaurants to the public, in and out of the hotel, making the hotel restaurants stand out. Ensuring that operations are efficient and effective, while also maintaining high standards of food and service, and ensuring good communication between the customers and chefs for customer preferences, also add positivity to the restaurant image, and are good for the internal operations of the restaurant. Therefore, equal priority must be giving to both the atmosphere and image simultaneously, so that the restaurants can benefit and show a good image to customers to ensure that they come back frequently, and spread the restaurant name

and image through word of mouth. Jean-Marc Ayme (2016), food and beverage director at the Hotel de Paris in Monte Carlo, Monaco, said: In some ways, the grand atmosphere of a hotel can at times discourage customers from going to its restaurants. Entering a palace can be uncomfortable for some guests. For some restaurants in hotels, the image of the hotel itself may at times darken or hide the restaurant, making it a challenge to stand out. (Mest, 2016)

The hotel atmosphere affects the restaurant atmosphere, as both work together and must always be positive to keep customers satisfied and to promote the restaurant in good ways. The restaurant staff and their attitude towards guests also affects the atmosphere. The atmosphere is one of the many factors that determines guest satisfaction, loyalty, and positive word of mouth, and how successful the restaurant will be. Therefore, the atmosphere inside the restaurant is controllable, and managers can use it for the better performance of the restaurant. The atmosphere as a controllable tool only has relevance if it makes guests satisfied, spread favorable comments through word of mouth, and increase their number of visits. Improving or modifying the atmosphere may influence the guest's experience and loyalty to the restaurant. The atmosphere is created by 2 factors, which social (intangible) and physical (tangibles) factors. Social factors, which are interpersonal interactions, are central drivers, and include interaction between staff members, between staff and guests, and between guests themselves. Physical factors include features such as location, architecture and design, and features that can be temporary, such as various types of extra elements used to reinforce the intended atmosphere, which can be, a bonfire on evenings meant for barbeque, arrangements for fresh flower, certain staff costumes, as well as table-settings. Some physical factors focused on the most are the location, space, easy access, color, and lights. For more on tangible and intangible

features of the hotel and restaurant atmosphere from different hospitality management companies, see table 2. (Heide, Laerdal, Gronhaug, 2009)

Along with the social and environmental factors, there are additional elements that may fall between both factors, as these elements also create the atmosphere. Morgan, Watson, and Hemmington stated: These elements include the access and entrance of the restaurant, the interior of the restaurant, interpersonal interactions between staff and customers, interactions between customers themselves, the presentation of the meal, as well as the meal itself, and the processes that happen backstage, which guarantee high standards of service and preparation. All these elements combine to make the restaurant atmosphere, which Hansen (2005) described as, "the individual emotional total experience throughout the entire meal including social experience, comfort and intimacy". (Morgan, Watson, and Hemmington, 2008)

Table 2

*Tangible and Intangible Features of Hotel and Restaurant Atmosphere*

| Drivers | Design experts | Hospitality managers |
|---|---|---|
| *Tangibles* | | |
| Permanent features | Location and environmentally adapted architecture (company 5) | Countryside location (company B) |
| | Meeting places – open spaces where people have room and physical space for network building and social interactions (company 3) | Trendy urban business hotel with the whole city as an addendum of experiences. This gives us a wide scope of establishments to supplement our atmosphere (company A) |
| | Environmental awareness must contain good working conditions. Logistics are an essential factor and the importance of inventory capability and easy access is underestimated (company 1) | Intimacy. Not too big. Less is more. It must be rooted in local traditions. (company C) |
| | Architecture should enable a "shops-in-shop" approach (i.e. physical tools and machineries for handicraft-work and local traditional operations as visual and complementary/supporting elements) (company 1) | |
| | Abstract forms and proportions. The construction of the architecture (physical surroundings) and elements of surprise (company 4) | |
| | Colorful, structural and ornamental elements (company 6) | |

(continued)

| | | |
|---|---|---|
| Temporary features (atmospherics) | Colors and lights and reflection of a good story (traditional materials to mirror local identity) (company 1) | Honest experiences, which appeal to the senses such as fragrant from herbs, bakery and coffee roasting (company C) |
| | It is important that the combination of elements are flexible and can melt and soften into different usage (company 3) | Seasonal settings related to the time of year and day (company B) |
| | | The pride of our product must be reflected, a little-bit-me and my responsibility for the breakfast table, straighten up slanted pictures and carpets (company A) |
| *Intangibles* | | |
| Staff-staff | | Satisfied and happy employees. People make the difference also at the working place. It should be fun to go to work. (company A) |
| | | Someone who cares. It is demanding to work with employees. Few are born with a service attitude (company C) |
| Staff-guest | | Smiles and personality create happy employees, which rub off on the guests and make them feel good at our place (company A) |
| | | Recognition and personal touch. (company A) |
| | | Good relations between staff and guests are vital (company C) |

20

| | |
|---|---|
| | We create human relations and closeness that are also transformed to the guests (company B) |
| | Recognition and an invitation to a drink on the house create good circles (company B) |
| Guest-guest | Similar guests go best together. We try to restrict improper persons entering from the streets (although this can be a delicate matter) (company A) |
| | Guests who are comfortable together become good ambassadors (company B) |
| | Our guests are satisfied and contribute to our reputation. We offer real and not fake experiences (company B) |
| | Guests must have sufficient time for experiences. A single lunch is not enough (company C) |

Source: (Heide, Laerdal, Gronhaug, 2009)

One important obstacle for hotel restaurants, as well as any restaurant, is the food itself, its ingredients, and how it's made, as some customers may not be able to eat certain processed food. Such obstacles can lead to health problems if not addressed well. Restaurants must be careful when serving such customers and make sure there are no such mistakes in food orders. Fresh foods can be a possible solution. Zac Parker states the following: One of the main difficulties in the restaurant industry is the fact that more diners are starting to understand how processed foods can possibly lead to many health problems. The human body has been quite slow in adapting to processed food, which leaves several dining establishments in an insecure position. To maintain high sales, restaurants need to serve clients who are demanding fresh food that is prepared with local ingredients. Today, diners have more food choices than before, from bakeries that bake fresh breads without gluten, to cafes that depend on freshly picked crops to make their dishes. (Parker, 2013)

Aside from processed food, another issue is that some customers may have allergies from certain foods and must be careful while ordering food. Making sure that such people with allergies have their meals prepared in a proper manner is difficult, especially when there are too many customers in the restaurant during busy hours. This issue must be addressed by asking customers if they have any allergies and giving restaurant staff proper training to know how to handle such a difficult task. Zac Parker states: Knowledge assists in reducing mistakes and makes sure that false information is addressed at an essential level. Restaurant management schools can aid in addressing this problem because they provide the training that is important for staff members while making sure that management is completely aware of how allergies can be dealt with in a restaurant that serves meals to many different customers. (Parker, 2013)

Another difficulty is being prepared for certain diets that customers may have. Trying to understand certain customer diets and their preferred eating habits, and being prepared for them, is not an easy task. While there are hotel restaurants that can accommodate customers with special food requests, there is an increasing trend for facilities that accommodate the needs of people who demand certain diets. As more information about different foods and restaurants becomes available to customers with various food preferences, many customers are looking for restaurants that provide their food needs, and make sure it is prepared in a safe and healthy manner. (Parker, 2013)

One important issue faced in particular by the restaurant manager and/or waiters and waitresses, is when a misunderstanding happens with a customer order or request, or if the customer has a complaint. Sometimes the customer may be right and other times, the customer may be wrong. In both conditions, the restaurant manager and other staff must assume that the customer is right, even if they are wrong, to not upset them and risk losing a potential customer, as well as other customers that might hear from a possible upset customer. This can lead to loss of potential profit and a negative restaurant image. How such a customer is taken care of, will determine if they come again in the future. The restaurant staff can try to negotiate with the customer to try and reach an understanding, but in the worst-case scenario where the customer will not comply, then the restaurant staff must assume the customer is right, and take action to not upset them. Mealey states: The most important rule of business is that the customer is always right. Even if you disagree with a customer's complaint, how you manage it will determine if the customer will come back to your restaurant. Therefore, a customer always needs special attention. (Mealey, 2018)

Over time, costs of certain ingredients, foods, and merchandise, may rise. Also, too many customers might demand a mutual change or request in the food served. In both conditions, it may lead to a change in the menu of the restaurant. Such changes can be higher prices, or certain foods modified or removed, and others added. This can be an obstacle, as some customers might not like the changes in foods, or the higher prices, and can result in losing certain customers. Updating a menu may sound beneficial to the restaurant, but it can also be a challenge since some customers, who may be loyal customers, might not like the changes. Possible solutions can be to add more to the menu, but not remove, and to try and keep prices stable even with increasing prices of merchandise. But this may be a challenge since it can lead to a decrease in the profit margin, if not a loss for the restaurant. Mealey again states: The price of food changes often, which will lead to the costs of running a business to change as well. Therefore, it's essential that restaurant menus have prices that keep costs of foods stable, if not lower, and profit margins high. (Mealey, 2018)

Food safety is another important obstacle. Restaurant managers must make sure that the food is clean and handled well, and in a clean environment in the restaurant. Restaurant equipment must be maintained and monitored well, to make sure that temperature is in proper control. The work place and dining area must also be clean and sanitized. Training restaurant staff on food handling practices must also be done. (McQuerrey, 2017)

Purchasing food and merchandise accurately is also an issue. Surpluses and shortages must be avoided so that no extra food is wasted, and no extra food is needed when it can't be acquired. Making sure that the exact amount needed is acquired can be a big challenge, depending on shifts in demand for certain foods. McQuerrey states: Restaurant owners have to make precise estimations when placing orders for

food and beverage supplies. If too much food is ordered and you don't have the amount of customers needed to consume it, you're left with food that will be wasted. Ordering less however, can result in a shortage of food, which can upset customers. It is one of the restaurant's top priorities to not upset a customer. Therefore, keeping track of food quantities will help to avoid such a challenge. (McQuerrey, 2017)

Another obstacle is getting and maintaining a liquor license for hotel restaurants that serve alcohol. Such restaurants must follow liquor licensing rules and policies, which include making sure that customers are at the minimum age requirement, and monitoring customer intake of alcohol. Maintaining the license and alcohol in the restaurant is difficult, since the license is very costly. Restaurants must have a minimum sales level per month to break even and maintain the license. Some restaurants make more money from liquor, while other make more money from food and less from liquor, which can be a challenge as well as a risk. If the restaurant is not breaking even with the cost to keep and serve liquor, it may be forced to drop the license. This can lead to loss of some customers as well. (McQuerrey, 2017)

Competition is a big obstacle also. Not only do hotel restaurants compete against each other, but also hotels compete against each other as well. Since hotels compete against each other, this also affects the restaurants inside the hotel, because the customers that the hotels attract, are also the potential customers of the restaurants inside the hotels. Therefore, the restaurant depends also on the hotel and its ability to be more competitive to attract its customers and gain a competitive advantage. As travel and tourism expand over the years, travelers always want to find the better hotel, leading to competition. Competition is very strong in countries or cities that are good for vacations. So, restaurants in such hotels are at an advantage, and must be competitive. In such countries or cities, the hotel has the stronger ability to attract

customers to the hotel, and therefore, the restaurants inside. To gain high profits from customers, the hotel must reduce its rates and provide good service, and make sure its facilities are superior to others. This will bring in customers to the hotel and therefore, the restaurants, giving those restaurants a competitive advantage, since they are in a hotel that is offering services that are also a competitive advantage. (International House, 2016)

The kind of quality service given to a customer is also important. Giving good and high-quality service to customers and the food served will determine how often customers will come back. Making sure such service is friendly and that food is at affordable prices to customers will not only ensure customers will come back later, but will also bring in more customers, and can lead to gaining more loyal customers, as some customers like the quality and speed of service as much as the food. (International House, 2016)

Empowering and training employees to maintain good quality for food and service, and correcting any quality defects that may arise, is also a difficult task. This is essential for Total Quality Management (TQM), as the restaurant can constantly correct its performance to the better, by correcting as much as possible in an efficient manner. Quality and performance indicators must always be monitored and passed back to restaurant staff as a means of motivating them towards further improvement. (Johns, 1993)

Maintaining good quality service is very critical for the restaurant and is a difficult task. Horovitz and Cudenne-Poon (1990) proposed a practical framework consisting of 5 points for the management of functional and intangible service aspects and quality in the hotel and restaurant industry. First is quality care, which consists of

carefully identifying and specifying the requirements of service quality for every group of target customers, then making sure that the same meaning of service quality is shared among all restaurant staff. Second is customer care, which gives priority to the customers, placing them first, by formulating the service system from the customers point of view, responding quickly to customers and dealing with their complaints immediately. Third is front-line people (FLIP) care, which is including service staff in the quality process, empowering them to take actions and providing them with the tools necessary to do their job, so that they are satisfied while serving the customers. Forth is communication care, which consists of immediate and efficient telephone and reception services, and also giving attention to documentation and the external environment, to ensure that communication to customers' shows and emphasizes the quality of service that is being offered. Fifth is lead care, which is restaurant managers being committed to service quality. They must prove their commitment by taking part in quality concerns, encouraging and motivating the restaurant staff to be committed to service quality as well, and setting a good example for them to follow. Making sure this framework is followed and maintained can be a challenge. (Johns, 1993)

Occasionally in hotels, there are special events that happen. When such events happen, the hotel may demand food from the restaurants inside. If the events are very big and have a lot of people, and during busy hours, one major issue of the restaurant is being able to keep up with both serving food to the event, and keeping up with its own business inside the restaurant. This will put more pressure on restaurant staff and may take some time to finish food orders. In such times, the restaurant will be at a constraint on time for orders, service, and staff. Managing such a challenge in times of hotel events is not easy. Such events can be profitable for the restaurant, but can

also cause constraints and stress, as the event can be as big as the restaurant itself if not bigger. While the restaurant also has its own business to run, this will be like the same amount of staff on hand, managing and providing food to two restaurants, with the amount of staff enough for only one restaurant, causing constraints and difficulty. (International House, 2016)

Change is a big obstacle. A hotel restaurant as well as any restaurant will have difficulty adapting to change. Such changes can be in customer tastes and preferences, the economic environment, and technology. A change in customer tastes is difficult for the restaurant, as it must modify its menu and foods over time. A change in the economic environment can lead to a positive or negative level in customer demand, while a change in technology can be tough for the restaurant, as it must modify its operations accordingly. Such technological changes can include the POS (point of sale) system, and other advances in technology. Sometimes, there might be a technological change in the hotel, which may lead to the restaurant also having to adjust to this change. Such a change can be to improve communication between the restaurant and the hotel, for example. Such changes in technology can prepare the restaurant for likely future events that may be favorable or unfavorable. Hannah states: Hotels can also make workflows and systems more efficient and effective using the latest technology, which is usually more expensive but is worth it. Therefore, managers are required to be up-to-date with new technological developments, and to find the right applications and software to satisfy their changing needs. Futureproofing is impossible in this time, where constant advancement is taking place, and hotels are most likely to have different needs over time. In some ways, thanks to technology, new software options, resources, and tools, it is getting easier for hotel and restaurant managers to do their duties and responsibilities.

However, due to changes in technology, as well as customer behavior and thinking, and economic conditions, it's also harder. (Hannah, 2017)

Cash flow is also an important obstacle, especially for new hotel restaurants. Managing the cash flows of the restaurant during a recession or for a restaurant that is still new, can be a tough job for restaurant managers, and can possibly result in short term losses. Cash inflow is the money received from customers. Cash outflow is the money that is spent for the restaurant to operate, such as salaries, utility bills, rent of space in the hotel, and purchase of supplies and merchandise. When cash inflow exceeds outflow, the restaurant is making profit. When the cash outflow exceeds cash inflow, the restaurant is operating at a loss. This can be a huge challenge if the restaurant doesn't make more money over time and in the long run. Although it can be normal in the short run for new restaurants, managing expenses, having good prices, publicity, and good advertisements, can all help to offset the negative cash flow and gain more profits over time. Keeping emergency cash on hand may be difficult, but it can help in times of negative cash flows that are hoped to be just temporary. The restaurant must try to keep cash flow high by keeping inventory that is barely moving, low. When there is a lot of inventory that is not moving, prices must be lowered to sell the inventory and increase cash flow. (Mealey, 2018, Keythman, 2017)

Food portions can also be a challenge, since some fancy hotel restaurants offer small portions, while others offer bigger portions. Controlling how much food portions to serve is a challenge, as it is preferred to give decent portions. Food portions and food quality should be aligned. Giving too little portions may result in customer dissatisfaction, while too much food portions may result in wastage. These food portions must also be compared to the value of money and the price of the meal. Successful restaurants have decent food portions, which satisfy customers, and affects

the profit margin positively. A good way of controlling portions is by the size of plates and utensils used in the restaurant. Adequate plate and utensil sizes will have adequate portion sizes. (Mealey, 2018)

Trying to avoid wasting food is another issue. This can be avoided or minimized by serving decent portions to customers, and by using acceptable amounts of food and ingredients in the kitchen. It is important to maintain the quality of the food, as well as the quantity. As Mealey states: "Utilizing as much food as possible can increase your profits and decrease food cost. Beef trimmings from tenderloin can be repurposed into satay beef tips, which can then be sold as a moderate entrée special. A well-trained chef will know how to use all parts of an ingredient with minimal waste." Therefore, educating staff how to control food portions and minimize wastage is important and can be a difficult task. (Mealey, 2018)

Wasted food is reported to be 56% of restaurant garbage, making it 28% of overall hotel garbage, which shows how big food wastage is in the hospitality sector. From an ethical point of view, food wastage is important and must be minimized, since many people around the world die from starvation. Minimizing food waste can have economic benefits, such as saving huge costs. This cost which can be saved, is the cost of making the food that is wasted. Wasting food is not only wasting cost but also wasting resources used to create the food. Wales (2011) states that water, food, and energy security are linked together. Hall (2009) states: Food wastage now accounts for over 1 quarter of the overall global freshwater consumption and around 300 million barrels of oil every year. Minimizing food wastage is a challenge that must be addressed, and hotels and restaurants are becoming more aware of the need for reduction of food wastage, not only from an environmental point of view, but also

for cost and resource savings for their establishments**.** Table 3 shows strategies for the reduction of food wastage in various countries. (Pirani, Arafat, 2014)

Monitoring the inventory, supplies, and merchandise purchased can also be an issue. A common mistake made by food suppliers when selling big amount at once is making possible mistakes on invoices, by charging higher amounts, showing wrong amounts of money paid before, delivering less quantity then ordered, and also delivering the wrong food. A possible way to avoid such a problem is by having restaurant staff monitor the food ordered, money spent, and quantities received. Keeping invoices and other documents is also important to resolve any possible issues that may arise later, and to avoid such a problem. Receiving the wrong amounts of supplies and spending the wrong amounts of money on them can lead to errors in the restaurant when calculating profits, giving false information. Therefore, carefully checking and reviewing all official documents between the restaurant and suppliers to avoid having and giving false information, is difficult and must be given special attention. (Mealey, 2018)

Table 3

*Global Food Waste Reduction Strategies*

| Initiative | Country | Implementation details and impact |
|---|---|---|
| Menu Engineering + Activity-Based Costing | Thailand | Waste decreased by 45% during the time period of the study. |
| Food waste tracking system | US | Helped customers cut food waste by ≤ 80% |
| Changing from buffet to a la carte service | United Arab Emirates | Implemented by a hotel and a noticeable decrease in food waste was the result. |
| Reducing plate size and providing social cues | Norway | Reduced the amount of food waste in hotel restaurants by around 20%. |
| Decreasing portion sizes | United States | This study is the first to show portion size can be lowered 33% before it's noticed, and that reducing portion size reduces overall plate waste. |
| Introducing a sign pointing out that guests can help themselves more than once | Norway | Reduces food waste by 20.5%. |

(continued)

| | | |
|---|---|---|
| Fining guests for wasting food at all-you-can-eat buffets | Hong Kong, Canada, Australia, Philippines | "The amount of waste reduced by fines… is small, however." |
| Offering guests doggy boxes | UK (Too Good To Waste) | The initiative could cut down the amount of food waste by at least 20% in every participating restaurant |
| Donate food | United Arab Emirates; Germany, Austria, Switzerland | The food can be given directly to charities (e.g. Hifth an Ne'mah which delivered ≈ 175,000 meals in 2012) or to foodsavers who pick up excess food from restaurants and take them to organizations that support people in need (e.g. Through Foodsharing.de more than 30,000 people have shared 25,000 kg of food) |
| Anaerobic digestion | UK | This can be offsite (e.g. Cawleys Eco-eating which prevents the emissions of 905 kg of carbon per ton of food waste and feeds the biogas back into the national grid and the fertilizer byproduct can be spread on the land to grow new crops) or on site (e.g. Best Western Chilworth Manor Hotel where the digester produces an average of 105 m³ of biogas per day, providing approximately 57 MW of electricity annually). |
| Composting | US | From the start of the program in May of 2012, the hotel has diverted over 45 tons of compostable food waste |

Source: (Pirani, Arafat, 2014)

Creativity and problem solving can be another issue. Hotel restaurants have to be more creative and must have a way to solve problems that they may face every day. Such problems must be resolved quickly and effectively without affecting the overall operations and quality of the food and restaurant. Some problems that arise may look as if they have no possible solutions. Therefore, thinking of creative and possible solutions is very important to maintain good business. Rami Abu-Yousef, the CEO and founder of Restaurant Innovations, a full-service restaurant consulting company, states: Some problems may emerge and may seem to have no solution, based on the current situation. Regardless of what the situation is, when something wrong happens, there is always a way to solve the problem. Finding the solution requires imagination, persistence, and communication. At times, employees may also help in giving creative and innovative ideas and solving problems. Therefore, restaurant managers must also consider the ideas that the employees can provide. Abu-Yousef also stated: One of the most unused resources for innovative ideas is the employees of a restaurant.  Don't hesitate to build a bond with your employees.  They can be a big source of information and new ideas and perspectives. While solving problems and coming up with new and creative ideas for both problem solving and improving the business, restaurant managers can ask themselves: "What should I try to do today that I didn't try before?" (Abu-Yousef, 2008)

Details of the restaurants overall operations are also an issue that require special attention. Individual details alone may seem not too important, but when adding up all these small details, it can make a difference. Abu-Yousef states: Separate details of the operations of a restaurant may appear small and unimportant, but all together, these details may have a big impact on the functionality and most importantly, the success of a restaurant. For example, small individual details such as

clean floors, dining areas, bathrooms, glasses, plates, and tables, may seem unimportant when observed alone. But when all these are added together, these details can give the customer an idea of the restaurants cleanliness. Other examples of details are those that can give the customer an impression of the restaurants service. Abu-Yousef states: The ways of greeting and welcoming customers upon entry, menus being available, knowledge about the selection of various foods and beverages, quick placement of orders, and well-stocked and full condiment bottles, are all essential to the customers' impression of a restaurant's service. Food temperature, timing for delivering food and overall presentation to the customer, determine their impression of kitchen preparedness and the dining experience. Therefore, taking the effects of all these details into consideration is very important, as nothing should be left out. Everything should be well planned ahead of time to make sure the restaurant is running smoothly and effectively. Proper planning of all details will prevent things from falling out of place in the restaurants overall environment. (Abu-Yousef, 2008)

Maintaining a good internal restaurant environment and ambiance is also a troubling process. This can affect the customers impression of the restaurant. How the restaurant looks on the inside, the tables and chairs, lighting, the kind of music and its volume, silverware choices, and uniform consistency, are all parts that together make up the ambiance of the restaurant. How well they go together determines how good the customer will see the restaurant. (Abu-Yousef, 2008)

Another important obstacle, which is faced especially by new hotel restaurants, is undercapitalization. Since new restaurants are still not very well known and need some time to grow and put everything into place, it is normal to have losses and negative cash flow in the first 6 to 12 months of operation. Not having enough funds prior to opening the restaurant in the first year to keep operations going, can

result in restaurant failure. The extra funds that must be kept on hand should not only be enough for the forecasted or expected costs to pay within the first 6 to 12 months, but should also include unexpected costs that are not in the budget. Such costs can always arise unexpectedly. Such costs can include minor restaurant repairs such as machine failure. Moreover, to not go bankrupt, the budget for the first year of the restaurant operation should be well estimated, having a cushion for the unexpected costs. Abu-Yousef states: A restaurant that runs out of money before it can start running at optimal efficiency and make a profit, will have to shut down and close. Once that happens, nothing can be done to make back the money spent and invested in the restaurant. Make sure there is more than enough money available for operating, to keep the restaurant floating for at least 12 months until it gets itself established. (Abu-Yousef, 2008)

Another possible issue is the absence of the restaurant manager when needed. This can lead to potential problems in the restaurant that can escalate. When the manager is not committed or present, especially during busy hours, possible problems can happen, and other staff may not solve them properly. Abu-Yousef states: The only way to retain familiarity with the operations of a restaurant, is to spend a lot of time there, both physically and mentally. Regardless of how good a team of staff may be, they will frequently try to push the limits of their responsibilities and duties. They may want to do things in a different manner or in their own way.  It is necessary to keep control over your staff, and to quickly address any problems that come up, in order to make sure that problems do not escalate and go out of control. When the restaurant manager or person in charge is not there, the structure of the restaurant can break down slowly, and small incidents or mistakes can escalate and grow if they are not caught, which can affect the restaurants finances negatively and can also hurt the

restaurants image. The manager must also affect the staff positively and be a motivator and an inspirer. He or she shouldn't interfere with the staff's ability to carry out their duties and responsibilities, but should make them committed. (Abu-Yousef, 2008)

Another challenge is the training of staff. Ensuring that the right staff are hired and well trained is a challenge and must be given special attention, as untrained staff can affect the business negatively. Abu-Yousef states: A restaurant is made up of a team, and not individuals, and every person on the team has to work towards the main goal of running a profitable business. Employees represent the team and the restaurant as a whole, and should be treated accordingly. Putting in time and effort into the process of hiring will guarantee good results later. It's better to not have a restaurant at all then to have one with poor staff. Having bad staff can affect the customer base negatively, pushing potential customers away as they may get a bad impression of the restaurant. The damage and harm that can be done by poor staff is much more than the short-term benefits and gains from sales. Abu-Yousef again states: A team of staff may be very well trained and qualified, and the restaurant concept may be excellent, however, if the concept is not carried out in a proper manner, this will lead to the entire framework of the restaurant falling apart. In order to make sure that such a breakdown doesn't happen, it is crucial to have the right training manuals/protocols, checklists, goals, and incentives, and to ensure that they are all followed. Therefore, it's very important and essential to inspire the employees to do their job well, and have them trained well to resolve any problem or situation that may arise, whether the manager will be there or not. This will motivate them to work towards the restaurant goals and adhere to the concept of the restaurant. This is very important for the management team as well, since they run the restaurant and set

an example for the staff. A manager must assign duties and responsibility to staff, understand the needs of the restaurant, and be a connection between the restaurant and its customers. Abu-Yousef again states: Building and retaining a solid management structure for the restaurant team will make sure that no confusion occurs and that each member of the team is well prepared and performing in accordance to the restaurant protocol. (Abu-Yousef, 2008)

Another difficulty is the lack of consistency. Once the concept and identity of the restaurant is made, it's very important to maintain them. Every time customers come to the restaurant, they should have the same experience every time with no difference. They should receive the same quality of food and service. If they do not and there is no consistency, this can lead to customer confusion about the identity and concept of the restaurant, and can possibly result in losing a customer. Therefore, consistency of the quality of food and service can determine the success or failure of a restaurant. The same quality must be served every time. It shouldn't make a difference which chef or waiter/waitress is on duty, all staff must deliver the same consistent quality, making customer experience the same every time they come. Abu-Yousef states: Good dining experiences can be cancelled out easily by one bad experience, and one bad experience can make a customer hesitate when deciding whether to come back to a restaurant. Customers should not have to spin the food/service roulette wheel each time they visit a restaurant. Consistency is important for gaining loyal customers, such customers are the most important and need the most attention. Maintaining such customers is a critical factor in setting the reputation of the restaurant and gaining new customers as well. (Abu-Yousef, 2008)

Another difficulty is the ability to innovate or come up with new ideas and concepts in the restaurant. After a while, customers might want to experience

something new in the restaurant, like a new food or concept in the restaurant. Some customers always like to try something new after a while. Making new concepts and foods is must, to maintain loyal customers. Otherwise, customers may go to other restaurants to seek something new. According to Huse (2005): Innovation seems to be the only way for an organization to convert change into opportunities and thus succeed. Scholars argue that innovation necessitates combining creativity and implementation (Lyons, 2007). Several factors affect the methods used to implement creative ideas, such as corporate resources and managerial leadership. Agreement between personal and environmental factors has a positive influence on innovative behavior. West states the following: Some characteristics of team members who are likely to come up with new and improved ideas to satisfy customers are: the capability to clearly identify goals and objectives that must be given attention, direct and formulate new solutions to work problems, feeling the presence of a non-threatening and trusting environment for interacting and participating in decision making, suggesting new ideas and solutions, interacting with others, a clear task orientation that stresses both individual and team responsibility, various methods of work, performance appraisal, alternation of outcomes, feedback and cooperation, and the capability to recognize expressed and practical support for new and improved work methods brought up by managers and organizations. Finding such people to help in innovating for the restaurant can be difficult. (Chen, 2011)

# METHODOLOGY

The method I used to gather information for the study is by making a well-structured survey that has 4 demographic questions, then questions that ask about the challenges, based on a Likert scale, and the participant chooses to what extent they face each challenge, if they do. There are also questions that ask if they are likely or unlikely to suffer from a certain challenge, and an open-ended question asking them what are other challenges they face, if any. I chose a sample of 40 restaurants in 4 and 5-start hotels in Qatar for the study, and asked their restaurant managers to do the survey. Based on the results, I will prove if my propositions are right or wrong.

Due to the nature of the survey being only for restaurant managers in 4 and 5-star hotels, it is difficult to get more than 40 usable responses. I constructed and excel sheet that has 26, 4 and 5-star hotels, with 120 restaurants all together. Of those 120 restaurants, I randomly chose 87 restaurants in 15 hotels for the survey, and I got back 40 responses from 40 different managers, which is my sample size. Some of these managers managed more than one restaurant in the hotel I went to, which decreased the number of remaining restaurants that I can still go to for a survey, making my participants even more limited. Since I have a very limited number of participants, making every single survey response received very important, I prepared hard copy surveys and I went in person to the restaurant managers, to make sure they do the survey if they chose to participate, since calling them or sending an email may not work, if they chose to not reply or take the time to reply. Going to talk to them in person guarantees results, if they participate. After getting the survey back, I put the 40 results into my Qualtrics account to see how many times each answer was selected for each question, and got the ratios. Then I put them into excel, to make pie charts for the final results. To see the survey, please refer to appendix 1.

<u>Propositions</u>

Based on the survey results, we will test 3 propositions, which are the following:

P1:     Restaurants that have a liquor license make big profits.

P2:     The location of some restaurants inside a hotel is a challenge.

P3:     The hotel atmosphere affects the restaurant's sales.
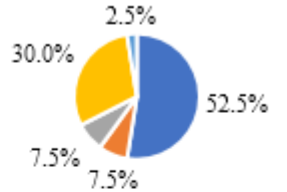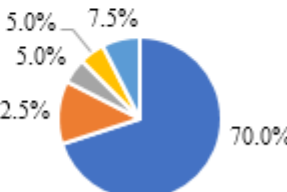
# RESEARCH FINDINGS

Demographic Information

| Number | Question | Answer | Percentage | Pie Chart |
|--------|----------|--------|------------|-----------|
| 1 | In what year was the hotel established? | 1 to 5 years ago<br>5 to 10 years ago<br>10 to 15 years ago<br>more than 15 years ago | 17.5%<br>30.0%<br>37.5%<br>15.0% |  |
| 2 | In what year was the restaurant established? | 1 to 5 years ago<br>5 to 10 years ago<br>10 to 15 years ago<br>more than 15 years ago<br>(unanswered) | 35.0%<br>30.0%<br>20.0%<br>12.5%<br>2.5% |  |

| 3 | How many employees are currently employed in the restaurant? | 10 to 20 employees | 52.5% |  |
| | | 20 to 25 employees | 7.5% | |
| | | 25 to 30 employees | 7.5% | |
| | | more than 30 employees | 30.0% | |
| | | (unanswered) | 2.5% | |
| 4 | How long have you been employed as the restaurant manager? | 1 to 5 years | 70.0% |  |
| | | 5 to 10 years | 12.5% | |
| | | 10 to 15 years | 5.0% | |
| | | more than 15 years | 5.0% | |
| | | (unanswered) | 7.5% | |

Explanations of Survey Responses

For each of the following, please refer to the table numbers below in the next section.

Table 5 number 1 indicates that 70% of the sample agreed that a liquor license brings profit, while 25% of the sample may not have liquor in their restaurant, and therefore, do not have an answer. 5% said neutral, implying it may fluctuate, with some days bringing profit and other days no, but are keeping the liquor license to have customers come in for food also, along with liquor. Therefore, my first proposition was correct, and a liquor license does bring profit to restaurants that have it, and it's not a loss.

Table 5 number 2 indicates that 47.5% agreed that the location is a challenge, implying that their restaurant is in a difficult location to see, while 40%, disagreed, implying that their restaurant is in a good location and is well seen. 10% are neutral, implying they may have a fair location. Since most of the sample agreed, my second proposition is also correct.

Table 5 number 3 indicates that 17.5% agreed to having high expenses, implying that they need to try and cut cost in some ways, while 45% disagreed, indicating that their expenses are not high, and that they are able to pay with no problem. 22.5% said neutral, which can possibly mean that their revenues may be higher than their expenses by a small amount of money, and/or their costs are at the maximum budget they are willing to pay, and can possibly be lower if they attempt to cut cost, or higher if they spend more money.

Table 5 number 4 indicates that 12.5% agreed, implying that they are losing money and operating with a loss, and/or are barely breaking even. 45% disagreed, implying that they have profit, and 30% said neutral, indicating that they are also

possibly only breaking even, and/or are not making enough profit, or can be earning profits some days, and acquiring a lose other days, having unstable cash flows.

Table 5 number 5 indicates that 2.5% agreed, which means they have no profit and barely able to pay expenses, while 55% disagreed, meaning that they are making profits and have no losses. 30% said neutral, meaning that they may be making a small amount of profit only, barely breaking even, and/or are making profit some days, while other days are only breaking even, making unstable cash flow coming in.

Table 5 number 6 indicates that 25% agreed, meaning that they have difficulty in dealing with customers in some ways, while 57.5% disagreed, meaning that they have no problems with their customers and they know them and their preferences well. 12.5% were neutral, meaning that they may have some problems with customers, but not with all, or they are good at one aspect of dealing with customers, but having trouble in others. It is also possible that they may have such problems some days, but not always, depending on various kinds of customers.

Table 5 number 7 indicates that 82.5% agreed, implying that the hotel atmosphere affects the sales and environment of almost all hotel restaurants, positively and/or negatively. 12.5% disagreed, implying their sales and environment aren't affected by the hotel atmosphere. 2.5% were neutral, which can imply that some days it may be affected, while other days, it's not affected. Most of the sample agreed, which means that the third proposition is correct, and the hotel atmosphere does in fact, affect restaurant sales.

Table 5 number 8 indicates that 32.5% agreed, implying that it's difficult for the restaurant to know new customer demands quickly and when needed, as knowing the new customer demands may take some time and effort before they are known.

This can temporarily upset customer satisfaction, until their new preferences are known. When the new demands are identified and accounted for, customer satisfaction will be back to how it was before the changes. 45% disagreed, meaning that they easily adjust and get information from customers, when they have new demands. 17.5% were neutral, meaning they may have difficulty with some customers but not all, or they don't always face this problem.

Table 5 number 9 indicates that 50% our sample agreed that the changes in the economic environment affect them negatively. Such changes can be higher unemployment rates, inflation spreading around, and other various reasons as such. This will lead to people going out less. 27.5% disagreed, implying that they are doing well all year long, unaffected by negativity in economic environment, and 17.5% are neutral, implying that they may face difficulty only some days, or restaurant sales are not too high and not too low during economic instability.

Table 5 number 10 indicates that 10% agreed, which means that they are slow in updating technology systems for the restaurant. They may be unable or they lack the expertise to do so. An example is the point of sales system (POS). 57.5% disagreed, indicating that they have no issues with technological changes and they have the expertise to update their technology systems fast. 30% are neutral, indicating that some days they may suffer, while other days not, or they may have the expertise, but take slightly longer to adjust to new technology.

Table 5 number 11 indicates that 17.5% agreed, which means they went through a phase of having high expenses and low revenues, and had to cut costs to at least break even and continue operating. 50% disagreed, meaning that they never had issues and their revenues were always higher than their expenses, and/or their

expenses are already low enough and are operating efficiently. 22.5% are neutral, implying that they were making little profit, and/or their costs are not too high and not too low, or their costs can be reduced by only a small amount of money.

Table 5 number 12 indicates that 15% agreed, implying their rent is high for them and they are barely able to pay it with their revenues. 27.5% disagreed, meaning they have high revenue and can pay the rent with no problem, or they have a low rent every month. 10% were neutral, meaning the rent is not too high and not too low for them. 47.5% were not applicable, which means that they don't pay rent, and the restaurant is owned by the hotel. Therefore, rent is not a difficulty for them.

Table 5 number 13 indicates that 20% agreed that getting a liquor license is a difficult process, while 30% disagreed, and they have no problem in getting it. 12.5% are neutral, indicating that it was not too easy and not too hard to get the license. 37.5% were not applicable, indicating that they may not have liquor in their restaurant.

Table 5 number 14 indicates that 45% agreed, which implies that during busy hours, such as breakfast, lunch, and dinner mostly, it's hard for the restaurant to keep up with too many customers at the same time. One possible reason is due to not having enough staff during busy hours. 37.5% disagreed, meaning they have no problem keeping up with too many customers during busy hours, possibly because they have enough staff available during busy hours, or always. 15% are neutral, indicating that they may have only little difficulty during busy hours, as they may have a moderate amount of restaurant staff during busy hours.

Table 5 number 15 indicates that 35% agreed that managing inventory is difficult. This means it is difficult to do tasks such as monitor what goes in and out of

the inventory, knowing when to restock, and avoiding stock outs, all in a timely manner to not disrupt business. 35% disagreed, meaning they are capable of doing these tasks with no problem and in a timely and effective manner. 27.5% were neutral, meaning that it's not too easy and not too hard for them, or they may have problems some days, but not always.

Table 5 number 16 indicates that 25% agreed that working longer shifts is a challenge, due to higher operating costs such as having employees work more hours, higher utility bills, and maintenance expenses. 35% disagreed, meaning they have the extra funds to work longer hours and pay the extra costs, and still make a profit. 30% were neutral, indicating that they may have difficulty some days, but not all days, depending on how many customers come and at what time of the day they come, or they may not have difficulty during later hours, but rather, may break even.

Table 5 number 17 indicates that 35% agreed, implying that they suffer when having too many customers waiting to be seated, which is usually during busy hours, and they may not have enough tables or physical space for all those customers at the same time. 35% disagreed, meaning they have no trouble with too many customers at once, as they may not have a lot of customers who are waiting, or they may have more tables and physical space in the restaurant to have all the guests seated, with no one waiting. 25% were neutral, implying that they may have difficulty some days but not always, or they have more tables and a slightly bigger dining space, but may have just a few customers waiting to be seated during busy hours.

Table 5 number 18 indicates that 25% agreed that finding out what customers prefer is difficult, as they may lack the capability to know, while 60% disagreed, implying that they have ways to find out customer preferences easily, such as

comment cards or having a place where customers can post their preferences. 12.5% were neutral, meaning they may have difficulty sometimes, or with some customers, but not always, or they have the means to find out customer preferences, but don't do as good as other restaurants.

Table 5 number 19 indicates that 55% agreed that being competitive is difficult. Having better quality and lower prices than other restaurants is a challenge. 22.5% disagreed, implying that they may have a competitive advantage better than other restaurants, and don't suffer from competition. They may also have the best quality and very low prices, compared to others. 17.5% were neutral, meaning that they may suffer from competition to some extent, but not very much. They may do better than other restaurants some days, but not as good in other days.

Table 5 number 20 indicates that 42.5% agreed that managing food portions and wastage is a challenge, as they may provide too much food portions, increasing wastage, or they may have too little food portions, compared to the value of money, making customers slightly unhappy. 35% disagreed, implying that their portions are just enough, and they don't have much food wastage. 20% are neutral, indicating that they may face this difficulty some days, for certain customers, but not always. Some days they may have more wastage, while other days they don't.

Table 5 number 21 indicates that 25% agreed that creativity and problem solving are difficult. They may lack the expertise or skills for such tasks. 47.5% disagreed, implying that they don't have any difficulties with such tasks, as they may have the expertise and skills required to solve daily problems and to be creative. 22.5% were neutral, implying that they may have difficulty some days, but not

always, or certain problems are manageable while others may be difficult to deal with. They may be creative in some ways or for certain things, but not everything.

Table 5 number 22 indicates that 47.5% agreed that maintaining a good and comfortable internal environment is tough. Customers must be comfortable in the restaurant. The hotel atmosphere, our third proposition, can possibly affect the restaurant environment and ambiance positively, or negatively. 37.5% disagreed, implying that their internal environment is always comfortable and is never disturbed, therefore they don't face this challenge. 12.5% were neutral, implying that they may face it some days but not always, or they face it to some extent, but not very much, as their internal environment may be relatively moderate.

Table 5 number 23 indicates that 50% agreed that staff training and motivation is a tough task. This can mean that they don't have enough time and expertise to train new staff and keep all staff motivated. Having too much staff, making it hard to keep up with them all, is another possible reason. 32.5% disagreed, implying that they may have the time and expertise to train and motivate all staff, and/or they have less staff, making it easier to keep up with them all. 15% were neutral, implying that they may have difficult sometimes, but not always. They may have some time and expertise for the job, but not as much as other restaurants, such as the ones that disagreed.

Table 5 number 24 indicates that 55% agreed, which means overall consistency is difficult for a lot of restaurants. Preventing food and service quality from being disturbed is a tough task due to various reasons. An example can be changing some ingredients, or the supplier of certain ingredients. 37.5% disagreed, indicating they don't have any difficulty and always maintain the same overall

quality. 2.5% were neutral, indicating they may face little trouble maintaining overall quality, or they may face difficulty, but not always.

Table 5 number 25 indicates that 45% agreed that keeping the restaurant identity and image good, is a challenge. This can be due to various small changes happening in the restaurant that may affect its identity negatively, such as customer dissatisfaction. If some customers become unsatisfied, it may hurt the restaurant image. 40% disagreed, implying that their image and identity is always the same and is well known to the public. They have no difficulty in maintaining it. 12.5% were neutral, meaning they may have trouble some days, but not always, and/or some factors might affect the restaurant image negatively, but can be controlled or omitted.

Table 5 number 26 indicates that 55% agreed that innovation is a challenge, as it is a tough task to come up with new ways to keep customers happy and not get bored of the same concept. 30% disagreed, meaning they are able to innovate and come up with new ideas to keep customers satisfied, and help them try something new. 10% were neutral, indicating that they may have difficulty sometimes, but not always, or they have difficulty innovating in certain things, but not everything.

In table 5 number 27, 70% of restaurants may feel a difference in sales in the unlikely event of an economic recession. Such a recession can be caused by higher unemployment, inflation, or slow cash flow in the economy, which indirectly, will lead to people going out less, decreasing restaurant sales. 25% disagreed, implying that their sales and demand are always stable, regardless of economic conditions, as some customers may still go to their restaurant regardless of the economic instability.

In table 5 number 28, 67.5% agreed that they are likely to face difficulty in knowing customer preferences and allergies, as some customers tend to be very picky

in some foods, or may have a medical condition that the restaurant is unaware of. 30% said they are unlikely to face this challenge, implying that they may know their customers well enough to avoid this problem, or they may have the expertise to find out what customers want and what are their allergies. Such expertise may include restaurant staff asking customers detailed questions about their preferences and allergies, or using comment cards.

In table 5 number 29, 57.5% agreed that handling customer problems can be a challenge, and may lead to customer dissatisfaction. This implies that at times, customer issues do happen, and must be dealt with in a good manner to keep the customer happy. 40% disagreed, implying that when such issues happen, they resolve it easily, or they don't have such issues with customers often. They may always have their customers satisfied and are probably very cautious to avoid such a difficulty.

In table 5 number 30, 62.5% agreed that a menu change is a tough task, as it can lead to customer dissatisfaction. This includes adding foods that customers may dislike, and/or removing foods that are preferred by some customers. 32.5% said they are unlikely to face this challenge. This can be due to changing it in a way that favors and benefits their loyal customers, and/or they don't change it often. They may have ways to change the menu to everyone's benefit, by examining what customers like and dislike on the menu, what they suggest adding, and adjust accordingly.
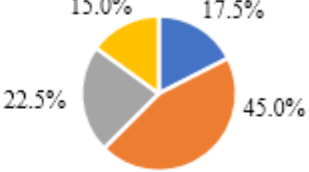
In table 5 number 31, 72.5% agreed that they are likely to suffer from modifying prices on the menu. This can also cause customer dissatisfaction. One possible cause of such a challenge is if the costs of the restaurants rise, and/or if more expensive merchandise is purchased, the restaurant may adjust by increasing the costs on the menu, which will upset customers. Such restaurants may face such a challenge

if they change prices often. 22.5% said they are unlikely to face this challenge. This can be due to not changing their prices at all, whether they buy more expensive merchandise and acquire higher cost or not, possibly decreasing their profit margins, but maintaining customer loyalty. They may also have loyal customers that care more about the quality and not the price, and are willing to bear the higher prices on the menu, if prices are increased. Such customers are only a few.

Survey Responses

| Number | Difficulty | Answer | Percentage | Pie Chart |
|--------|-----------|--------|-----------|-----------|
| 1 | Having a liquor license brings profit | Agree<br>N/A, (have no liquor)<br>Neutral | 70.0%<br>25.0%<br>5.0% | Liquor License Bringing Profit<br>5.0%<br>25.0%<br>70.0%<br>■ Agree ■ N/A, (have no liquor) ■ Neutral |
| 2 | The location of the restaurant is a challenge | Agree<br>Disagree<br>Neutral<br>Unanswered, N/A | 47.5%<br>40.0%<br>10.0%<br>2.5% | Restaurant Location<br>10.0% 2.5%<br>40.0%<br>47.5%<br>■ Agree ■ Disagree ■ Neutral ■ Unanswered, N/A |

| 3 | You are currently facing the cash flow problem of high expenses | Agree<br>Disagree<br>Neutral<br>Unanswered, N/A | 17.5%<br>45.0%<br>22.5%<br>15.0% |  |
|---|---|---|---|---|
| 4 | You are currently facing the cash flow problem of not enough revenue coming in | Agree<br>Disagree<br>Neutral<br>Unanswered, N/A | 12.5%<br>45.0%<br>30.0%<br>12.5% |  |

| 5 | You are currently facing the cash flow problem of only breaking even and making no profit | Agree<br>Disagree<br>Neutral<br>Unanswered, N/A | 2.5%<br>55.0%<br>30.0%<br>12.5% |  |
|---|---|---|---|---|
| 6 | Gathering customer information and keeping them satisfied and loyal is very difficult | Agree<br>Disagree<br>Neutral<br>Unanswered, N/A | 25.0%<br>57.5%<br>12.5%<br>5.0% |  |

| 7 | The hotel atmosphere effects the restaurant's sales | Agree<br>Disagree<br>Neutral<br>Unanswered, N/A | 82.5%<br>12.5%<br>2.5%<br>2.5% |  |
| 8 | You are likely to suffer from changes in customer taste and preferences | Agree<br>Disagree<br>Neutral<br>Unanswered, N/A | 32.5%<br>45.0%<br>17.5%<br>5.0% |  |

| 9 | You are likely to suffer from changes in the economic environment | Agree<br>Disagree<br>Neutral<br>Unanswered, N/A | 50.0%<br>27.5%<br>17.5%<br>5.0% |  |
|---|---|---|---|---|
| 10 | You are likely to suffer from changes in technology | Agree<br>Disagree<br>Neutral<br>Unanswered, N/A | 10.0%<br>57.5%<br>30.0%<br>2.5% |  |
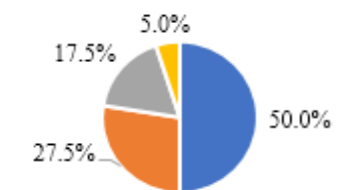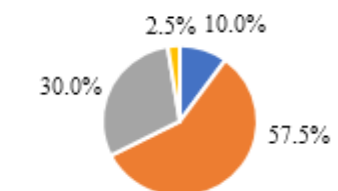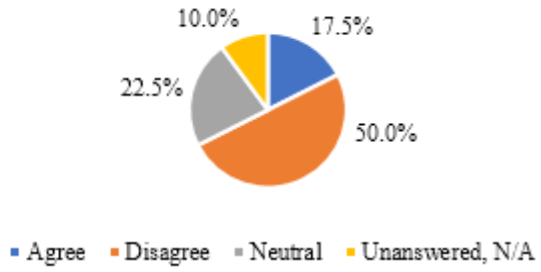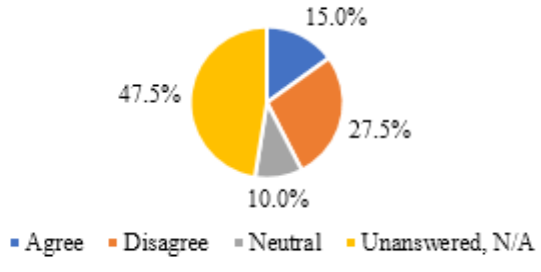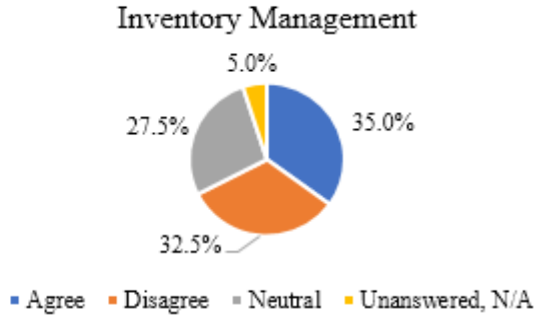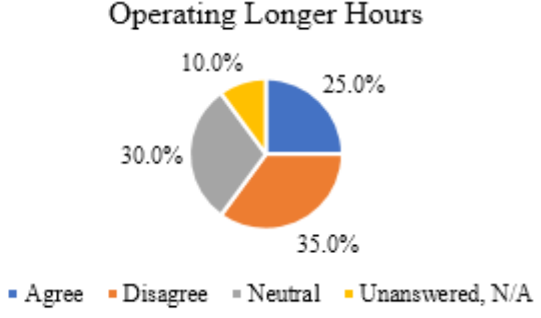
(continued)

| 11 | You went through undercapitalization or not having enough funds to operate, and had to handle it by staying efficient and cutting costs | Agree<br>Disagree<br>Neutral<br>Unanswered, N/A | 17.5%<br>50.0%<br>22.5%<br>10.0% |  Undercapitalization and High Cost |
|----|----|----|----|----|
| 12 | Paying the rent is difficult | Agree<br>Disagree<br>Neutral<br>Unanswered, N/A | 15.0%<br>27.5%<br>10.0%<br>47.5% |  Rent |

| 13 | Acquiring a liquor license is difficult | Agree | 20.0% |  |
| | | Disagree | 30.0% | |
| | | Neutral | 12.5% | |
| | | Unanswered, N/A | 37.5% | |
| 14 | Operating during busy hours is a challenge | Agree | 45.0% |  |
| | | Disagree | 37.5% | |
| | | Neutral | 15.0% | |
| | | Unanswered, N/A | 2.5% | |

| 15 | Inventory management is a hard task | Agree<br>Disagree<br>Neutral<br>Unanswered, N/A | 35.0%<br>32.5%<br>27.5%<br>5.0% |  |
| 16 | Operating longer hours since you're in a hotel, is a challenge | Agree<br>Disagree<br>Neutral<br>Unanswered, N/A | 25.0%<br>35.0%<br>30.0%<br>10.0% |  |

| 17 | Long waiting lists of customers waiting to be seated can be hard to deal with | Agree<br>Disagree<br>Neutral<br>Unanswered, N/A | 35.0%<br>35.0%<br>25.0%<br>5.0% | Long Waiting Lists |
|---|---|---|---|---|
| 18 | Knowing customer preferences is a difficult task | Agree<br>Disagree<br>Neutral<br>Unanswered, N/A | 25.0%<br>60.0%<br>12.5%<br>2.5% | Knowing Customer Preferences |

| 19 | Handling competition by being fairly priced and having good quality service to keep customers loyal is a tough task | Agree<br>Disagree<br>Neutral<br>Unanswered, N/A | 55.0%<br>22.5%<br>17.5%<br>5.0% | <br>Handling Competition |
|----|------|------|------|------|
| 20 | Providing decent food portions and avoid wasting food is a challenge | Agree<br>Disagree<br>Neutral<br>Unanswered, N/A | 42.5%<br>35.0%<br>20.0%<br>2.5% | <br>Food Portions and Wastage |

| 21 | Being creative and able to solve daily problems that may arise is a difficult task | Agree<br>Disagree<br>Neutral<br>Unanswered, N/A | 25.0%<br>47.5%<br>22.5%<br>5.0% |  |
|---|---|---|---|---|
| 22 | Maintaining a good restaurant environment and ambiance is challenging | Agree<br>Disagree<br>Neutral<br>Unanswered, N/A | 47.5%<br>37.5%<br>12.5%<br>2.5% |  |

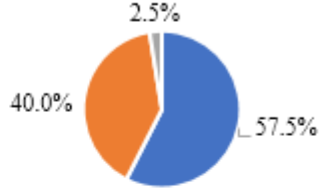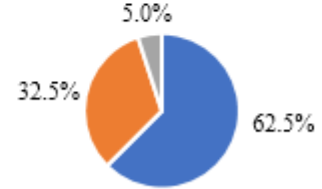| 23 | Time and effort to train and motivate staff is a challenge | Agree<br>Disagree<br>Neutral<br>Unanswered, N/A | 50.0%<br>32.5%<br>15.0%<br>2.5% | <br>Staff Training and Motivation |
| --- | --- | --- | --- | --- |
| 24 | Maintaining consistent food quality and service is a difficult task | Agree<br>Disagree<br>Neutral<br>Unanswered, N/A | 55.0%<br>37.5%<br>2.5%<br>5.0% | <br>Food Quality and Service |

| 25 | Maintaining a consistent restaurant identity and image is a difficult task | Agree<br>Disagree<br>Neutral<br>Unanswered, N/A | 45.0%<br>40.0%<br>12.5%<br>2.5% |  |
| --- | --- | --- | --- | --- |
| 26 | Bringing new ideas to advance over time is a challenge | Agree<br>Disagree<br>Neutral<br>Unanswered, N/A | 55.0%<br>30.0%<br>10.0%<br>5.0% |  |

| 27 | During an economic recession we feel a difference in sales. | Likely<br>Unlikely<br>Unanswered, N/A | 70.0%<br>25.0%<br>5.0% |  |
| 28 | The food ingredients and ways of being cooked is a challenge because some customers may have certain preferences or allergies. | Likely<br>Unlikely<br>Unanswered, N/A | 67.5%<br>30.0%<br>2.5% |  |
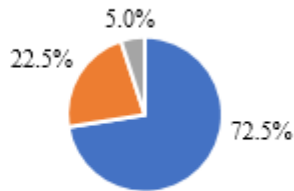
Sales During Economic Recession
5.0%
25.0%
70.0%
Likely   Unlikely   Unanswered, N/A

Ingredients and Customer Allergies
2.5%
30.0%
67.5%
Likely   Unlikely   Unanswered, N/A

(continued)

| 29 | Conflicts or misunderstandings with customers do happen and can be hard to handle. | Likely<br>Unlikely<br>Unanswered, N/A | 57.5%<br>40.0%<br>2.5% | <br>Customer Conflicts |
|----|-----|-----|-----|-----|
| 30 | Changing or modifying the menu by adding or removing foods, is a challenge as some customers may dislike the change. | Likely<br>Unlikely<br>Unanswered, N/A | 62.5%<br>32.5%<br>5.0% | <br>Modifying Foods on Menu |

(continued)

| 31 | Changing or modifying the menu by modifying prices, is a challenge as some customers may dislike the change. | Likely<br>Unlikely<br>Unanswered, N/A | 72.5%<br>22.5%<br>5.0% | Modifying Prices on Menu<br>5.0%<br>22.5%<br>72.5%<br>■ Likely  ■ Unlikely  ■ Unanswered, N/A |

# EXTRA FINDINGS FROM SURVEY RESULTS

In the survey, I asked what are other possible challenges that restaurants face, apart from the ones I stated. The following points are statements that some of the participants wrote:

- Recruitment, which was stated by 2 restaurant managers

- Suppliers, since some items will be brought by a certain supplier, and when you start dealing with them, they might stop importing supplies

- Prices, promotions, ambiance, and food presentation

- Employment, legalization, and importing

- The availability of certain goods in the market

- One restaurant manager stated: "So far so good we have consistent business because of a good view and we are an old restaurant in town, so we have a good business environment that is still good."

- Lack of distributors with good quality food products

- Supplies (due to gulf crisis)

- Retaining staff due to various opportunities arising as a result of growing competition and better living conditions (less conservative) in some other parts of the world

- Blockade, limited market, uncertainty, competition of new hotels, reduction in spending patterns, lack of available items, attracting staff

- During Qatar crisis, but the hotel is not really affected nowadays

- The major challenge we are facing is there are currently a lot of competitors arising in the market, while maintaining the regular and loyal customer can be challenging.

- Finding qualified workforce

- Unsatisfied guests who just criticize and talk badly in social media

- The competition around the hotel, since now there are a few new hotels

  opening. Also, ordering food products through an online application is quite a

  big challenge, which independent restaurants are the best at giving the offer.

# LIMITATIONS

Gathering the survey results from restaurant managers was a very tough task, as I had to go and visit each restaurant in person, as sending the survey by email doesn't guarantee they will do it. And with a very limited amount of people who are qualified to do the survey, I needed as many results as possible, since only restaurant managers in hotels, can do the survey. Going to every hotel to see each manager in person was also very time consuming and took a lot of effort, unlike sending any other kind of survey of a different topic, to participants by email or SMS.

To gather the results from 40 different restaurants, I went to 87 restaurants in 15 hotels. Out of these 87 restaurants, 40 participated. The other 47 would either choose to not participate due to various reasons like confidentiality, or I went to the restaurant more than once and did not find the manager, or the same manager manages more than 1 restaurant, therefore getting just 1 survey from more than 1 restaurant managed by the same manager, or I could not reach the manager who manages more than 1 restaurant, or the manager said he will ask the management if they can answer my survey due to confidentiality, and they would take my contact details or I sent it by email and they never called me back or replied to my email. Some managers asked me to leave a survey, or send it by email and they will do it and sent to back to me, and never did.

Another major limitation I had was when going to a hotel that had at least 6 restaurants, 1 told me that I must ask the head hotel management for information for my survey, and if they approved, they would pass it on to the restaurants, and they never got back to me. Therefore, there would be no reason for me to visit the remaining 5 restaurants. However, since I cannot go to them anymore, they are still counted in the 87 restaurants that I went to.

Another limitation was a hotel that has 11 restaurants, which I planned to visit all of them as it is a good chance for my survey to get results from many restaurants all in 1 location. I went to one restaurant and got 1 survey back, but when going to the next restaurant, the restaurant manager said he needs to ask the head management for approval to do the survey, and if approved, they will pass it on to the remaining 10 restaurants to do. The management later contacted me and said, due to various internal reasons, they cannot pass the survey on to all the restaurant managers to do it, however, the management gave me one response to the survey, on behalf of all the remaining restaurants. Therefore, out of 11 restaurants, I got only 2 responses, 1 from the first restaurant, and 1 from the management on behalf of the other 10 restaurants, which, like before, put me in the situation where I cannot go to the remaining 10 restaurants, because they may also contact their management, which already gave me a survey. Therefore, since I cannot go to these remaining 10 restaurants, they are also counted as part of the 87 restaurants I visited and got results from or could not get results from.

All these reasons lead to gathering only 40 results out of a total of 87 restaurants. I prepared an excel sheet of 120 restaurants in 26 hotels, and randomly chose 87 restaurants. I kept working until I reached my sample size of 40 responses. When I was rejected by managers, I would go on to the next, until my sample size of 40 responses, was complete.

# CONCLUSION AND RECOMMENDATIONS

Overall, hotel restaurants have many challenges that must be taken into consideration and resolved as much as possible. As much as restaurant managers and staff try to minimize the challenges they face, there is always going to be some difficulty around. Therefore, how the restaurant staff solve and work around these difficulties determines their success. After carrying out the research, the biggest 3 difficulties were the liquor license bringing enough profit, the restaurant location, and the hotel and restaurant atmosphere affecting restaurant sales, as per our propositions. Managing these 3 challenges along with other challenges from daily operations such as staff management, inventory management, customer complaints, and quality of food and service, will determine success.

Proposition 1

The liquor license is very important, as 70% of the restaurant managers agreed that it brings profit, while 25% were not applicable, indicating that they may not have liquor in their restaurant. 5% were neutral, and none disagreed. Therefore, this proposition is correct, indicating that having a liquor license does bring profit, and it is less of a difficulty since it's profitable.

Proposition 2

The location of the restaurant seems to be a challenge for some restaurants and not for others, as 47.5% agreed, 40% disagreed, 10% were neutral, and 2.5% were not applicable. It seems that almost half agree and almost half disagree to this challenge, indicating that some restaurants are in good locations, while others are in bad or hidden locations in the hotel. The majority agreed, therefore, it is still a difficulty faced and this proposition is correct.

The hotel atmosphere affecting the restaurants is a major challenge, as 82.5% agreed, 12.5% disagreed, 2.5% were neutral, and 2.5% were not applicable. This is the biggest challenge of the research as most of the sample agreed to it. Therefore, the hotel atmosphere does affect the restaurant sales and the environment. The restaurant environment is also important, as it can be controlled by the restaurant itself, while the hotel atmosphere cannot be, making this a big difficulty for restaurants inside hotels. Therefore, this proposition is correct.

These 3 challenges also lead to competition, as competitors might be more profitable from a liquor license, have a better location, and have a good atmosphere in the hotel that is not disturbed. Having these 3 factors can ensure a competitive advantage against other restaurants in various hotels.

Restaurant managers must do their best to work around these 3 difficulties stated, and try to avoid them. Making sure the restaurant will be more profitable from having a liquor license, deciding on a good location for the restaurant, and trying to work around the hotel atmosphere is very important to stay successful and be more profitable.

Adjusting to various cultures and foods from all around the world is also an advantage, as hotel restaurants may never know from where their guests may be coming from. Since they are in a hotel that may have guests from foreign countries, having foods from various countries is a big advantage. Hotel restaurants in Qatar have such an advantage, as they have restaurants with food concepts from Greece, Lebanon, America, Italy, India, Syria, China, and Brazil, among other countries.

Hotel restaurants tend to have a fancy and formal touch, as they must be well presentable to foreign guests. Giving a good impression of the restaurant is a must, to guarantee that the guests will come back later. This adds to customer satisfaction. International hotels in Qatar that look fancy and formal, have foods from various countries, adjust to various cultures, and give a good impression are, Marriot, Intercontinental, Hilton, 4 Seasons, Radisson Blu, and Shangri la, to name a few.

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# APPENDIX 1: THE CHALLENGES THAT HOTEL RESTAURANTS FACE

Dear Participant

This survey is an attempt to investigate the challenges that hotel restaurants face. Your input is an essential element in this study and will be kept strictly confidential. This information will be used for research purposes only. Of course, your participation is voluntary. If you decide to participate, you will be asked to answer questions related to the challenges that hotel restaurants face. You can skip any question or withdraw from participation at any time. The survey will take approximately 5 minutes from your valuable time. We appreciate your time and effort. If you have any questions about this study, please feel free to contact me at rs1305533@qu.edu.qa.

1) In what year was the hotel established?
   a) 1 to 5 years ago
   b) 5 to 10 years ago
   c) 10 to 15 years ago
   d) more than 15 years ago

2) In what year was the restaurant established?
   a) 1 to 5 years ago
   b) 5 to 10 years ago
   c) 10 to 15 years ago
   d) more than 15 years ago

3) How many employees are currently employed in the restaurant?
   a) 10 to 20 employees
   b) 20 to 25 employees
   c) 25 to 30 employees
   d) more than 30 employees

4) How long have you been employed as the restaurant manager?
   a) 1 to 5 years
   b) 5 to 10 years
   c) 10 to 15 years
   d) more than 15 years

| | Difficulty | Strongly Agree | Agree | Neutral | Disagree | Strongly Disagree | Not Applicable |
|---|---|---|---|---|---|---|---|
| 1. | Having a liquor license brings profit | | | | | | |
| 2. | The location of the restaurant is a challenge | | | | | | |
| 3. | You are currently facing the cash flow problem of high expenses | | | | | | |
| 4. | You are currently facing the cash flow problem of not enough revenue coming in | | | | | | |
| 5. | You are currently facing the cash flow problem of only breaking even and making no profit | | | | | | |
| 6. | Gathering customer information and keeping them satisfied and loyal is very difficult | | | | | | |
| 7. | The hotel atmosphere affects the restaurant's sales | | | | | | |
| 8. | You are likely to suffer from changes in customer taste and preferences | | | | | | |
| 9. | You are likely to suffer from changes in the economic environment | | | | | | |
| 10. | You are likely to suffer from changes in technology | | | | | | |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 11. | You went through undercapitalization or not having enough funds to operate, and had to handle it by staying efficient and cutting costs | | | | | | |
| 12. | Paying the rent is difficult | | | | | | |
| 13. | Acquiring a liquor license is difficult | | | | | | |
| 14. | Operating during busy hours is a challenge | | | | | | |
| 15. | Inventory management is a hard task | | | | | | |
| 16. | Operating longer hours since you're in a hotel, is a challenge | | | | | | |
| 17. | Long waiting lists of customers waiting to be seated can be hard to deal with | | | | | | |
| 18. | Knowing customer preferences is a difficult task | | | | | | |
| 19. | Handling competition by being fairly priced and having good quality service to keep customers loyal is a tough task | | | | | | |
| 20. | Providing decent food portions and avoid wasting food is a challenge | | | | | | |
| 21. | Being creative and able to solve daily problems that may arise is a difficult task | | | | | | |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 22. | Maintaining a good restaurant environment and ambiance is challenging | | | | | | |
| 23. | Time and effort to train and motivate staff is a challenge | | | | | | |
| 24. | Maintaining consistent food quality and service is a difficult task | | | | | | |
| 25. | Maintaining a consistent restaurant identity and image is a difficult task | | | | | | |
| 26. | Bringing new ideas to advance over time is a challenge | | | | | | |

| | Difficulty | Likely | Unlikely | Not Applicable |
|---|---|---|---|---|
| 27. | During an economic recession we feel a difference in sales. | | | |
| 28. | The food ingredients and ways of being cooked is a challenge because some customers may have certain preferences or allergies. | | | |
| 29. | Conflicts or misunderstandings with customers do happen and can be hard to handle. | | | |
| 30. | Changing or modifying the menu by adding or removing foods, is a challenge as some customers may dislike the change. | | | |
| 31. | Changing or modifying the menu by modifying prices, is a challenge as some customers may dislike the change. | | | |

Open ended question

What other major challenges do you face?