

Czech University of Life Sciences Prague

Faculty of Economics and Management

Department of Economics



Diploma Thesis

**Factors influencing success of a business: A Business
Plan of an Indian Restaurant in Prague**

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CZECH UNIVERSITY OF LIFE SCIENCES PRAGUE

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Business Administration

Thesis title

Factors influencing success of a business: A Business Plan of an Indian Restaurant in Prague

Objectives of thesis

Evaluate key factors that determine overall performance of a business in the restaurant industry. Furthermore, findings from this research is applied to a theoretical business. This means that a business plan must be developed that examines key financial statistics.

Methodology

Literature review is conducted using methods of synthesis, extraction, induction and deduction. Analytical section is done using selected methods of both quantitative and qualitative data analysis. Chosen methods of financial analysis are included in the business plan.

The proposed extent of the thesis

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Keywords

restaurant, business plan, marketing, financial plan, locational characteristics

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- Barrow, C., Barrow, P. and Brown, R. (2012). The business plan workbook. London: Kogan Page.
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Declaration

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Acknowledgement

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Faktory ovlivňující úspěšnost podniku: obchodní plán indické restaurace v Praze

Souhrn

Tento výzkum se zaměřuje na stanovení životaschopnosti specializovaných restaurací v Praze, zejména pak indických restaurací. Studie se také pokouší kriticky analyzovat chování spotřebitelů s pomocí identifikace vnitřních a vnějších faktorů, které ovlivňují kupní chování spotřebitelů v restauracích. Současný trh provozovaných a plánovaných indických restaurací je také zhodnocena. Studie využívá popisných výzkumných metod a také kvalitativní a kvantitativní výzkumné přístupy.

Vlastní kvantitativní výzkum byl proveden formou dotazování 120 zákazníků z indických restaurací v Praze s použitím uzavřeného strukturovaného dotazníku. Kvalitativní výzkum probíhal formou pohovoru s dvěma restaurátéry indických restaurací v Praze s použitím otevřených otázek. Studie zjistila, že existují čtyři vnějších faktorů, které ovlivňují spotřebitelské rozhodování zákazníků v restauracích: společenské, kulturní, osobní a specifické lokální faktory. Také existují tři vnitřní faktory, které ovlivňují jejich kupní rozhodnutí, a sice vnímání, motivace a postoje. Studie také zjistila, že existují různé problémy, se kterými se restaurátéři potýkají při zajištění úspěchu svých restaurací. Používají strategie jako použití nových a inovativních receptů, zvýšená flexibilita a adaptivita.

Studie doporučuje, aby se restaurace vyvíjela, musí i nadále zlepšovat prezentaci potravin, kvality potravin a služeb, atmosféru a prostředí v restauraci. Navíc, restaurace musí být zaměřena na poskytování obecně příjemných a zábavných zážitků, při nichž si zákazníci budou moci vychutnat svůj čas s přáteli a rodinou, to vše se správnou kombinací soukromí a přívětivosti personálu. Studie rovněž doporučuje, aby se bralo v potaz vnímání zákazníka týkající se biopotravin, různých kuchyní, nových inovativních recepty a prezentací potravin již před zavedením jakýchkoli nových strategií v restauraci.

Finálně, rovněž demografické a prostorové faktory jsou v práci analyzovány, takže potenciální zákazníci jsou rozděleni podle jejich příjmu, pohlaví, vzdělání a práce předkládá prostorové rozmístění v současnosti v Praze fungujících restaurací.

Klíčová slova: indické, potraviny, Praha, restaurace, vnější, vnitřní, faktory, spokojenost zákazníků, fine dining, místně charakteristiky

Factors influencing success of a business: A Business Plan of an Indian Restaurant in Prague

Summary

The current study aims at determining the viability of specialty restaurants especially Indian restaurants in Prague. The study also attempts to critically analyze behavior of consumers by identifying intrinsic and extrinsic factors which affect their purchase behavior towards restaurants. The current market for operational and upcoming Indian Restaurants is also scrutinized. The study uses descriptive research method where in a combination of qualitative and quantitative research approaches is used. The quantitative research has been conducted by surveying 120 customers of Indian restaurants in Prague using close-ended structured questionnaire. The qualitative research has been conducted by interviewing two restaurateurs operating Indian restaurants in Prague using an open-ended questionnaire. The study found that there are four extrinsic factors impacting customer purchase decisions in restaurants, social, cultural, personal and restaurant specific. Also, there are three intrinsic factors affecting their purchase decisions, namely, perception, motivation and attitude. The study also found that there are various challenges faced by restaurateurs in making their restaurants successful. They employ strategies like use of new and innovative recipes, enhanced flexibility and adaptivity.

The study recommends that restaurants should keep improving their food presentation, food and service quality, ambience and environment in the restaurant. Also, the restaurants should aim at providing their customers with an overall pleasant and fun experience wherein they are able to enjoy their time with friends and family with the right combination of privacy and staff friendliness. It is also recommended that customer perceptions regarding organic food, different cuisines, new innovative recipes and food presentation are taken into due consideration before implementing any new strategies in the restaurant.

Finally, also demographic and spatial factors are analyzed in the thesis so that potential customers are stratified according to their income, gender, education and spatial distribution of currently; in Prague operating restaurants, is provided.

Keywords: *Indian, food, Prague, restaurants, extrinsic, intrinsic, factors, customer satisfaction, fine dining, locational characteristics*

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1 Introduction

1.1 Background of the Research

1.1.1 Overview of food service industry in Prague

Prague is not only the capital city but also one of the largest cities of Czech Republic which is experiencing sweeping changes due to increased tourism and influx of foreign investments (Mihaljevič et al. 2013; Sýkora & Ouředníček 2007). The city has been subjected to rapid urbanization which is triggering a change in consumer preferences resulting in growth of food service industry within the region. The overall food service industry in whole of Czech Republic has acknowledged a decline in the year 2014 due to increase in demand for other household durable products whose effects were also visible in Prague (Euromonitor International 2015).

Contrary to the above during the same period a steep rise that is 100% hike in home deliveries and takeaways were recognized. There are approximately 1000 restaurants in Prague with around 80% of them indulging in Thai and Chinese cuisines (Harvard Student Agencies Inc. Staff 2010). The next biggest category is the 'Café Bars' which are the food joints of differing sizes offering expansive range of coffee, beer and other related food and beverages. Organizations providing food services belonging to a chain group are highly preferred by Czech people over those operating as individuals.

1.1.2 Current market for Indian Restaurants in Prague

Prague in recent times has seen a surge in demand for Indian food owing to increasing awareness of people towards the same. Prague has been a home for Indians though they are a minority group but yet are considered to be an important section of the society. Indian food of varied types ranging from curries to mild-palated regional savouries is sought after by people in Prague (F. Gaze 2012). It is this demand which has resulted in acceleration in the number of Indian restaurants in Prague over the last few years.

Indian restaurants are preferred for their ethnic value along with exotic cuisine which equally attracts local Indians, people from other cultures and tourists. Another primary reason for people opting for Indian restaurants is availability of wide range of vegetarian option that no other cuisine offers in Prague (Dirlis 2014). Further present food service

providers in Prague endow customers with options to customize their menu as per their preferences without pinching their pockets.

From being confined to only few luxury hotels serving Indian Food, today it is widely available even as street food thereby catering needs of people of differing income groups. Especially after the Indian Food Festival organized in the year 2011 in Prague demand for Indian cuisine has increased beyond leaps and bounds (F. Gaze 2012).

1.2 Problem Statement

Food industry is continuously challenged with changing customers' tastes and preferences (Bekefi & Epstein 2008; Khan et al. 2013). They incessantly seek to change their menu and offerings for delighting their customers and serving them sustainably. Indian cuisine is getting international recognition with more and more people across the world setting up restaurants offering this multi-flavoured and wide cuisine (Chhabra et al. 2013; Kim et al. 2009).

But the demand for such cuisine in countries like Prague is limited which makes it challenging for companies to pursue a profitable business. This to a larger extent discourages them. Other associated problems like location issues, regional tastes and preferences, competitive pressures, quality of food also adversely affect success of restaurants in a given location (Ha & Jang 2010; Revell & Blackburn 2007). With increasing demand for Indian cuisine in Prague it is important to understand the varied factors that would affect success of Indian Restaurant in Prague so that related issues can be triumphed over (F. Gaze 2012).

2 Objectives and Methodology

2.1 Objectives

The primary aim of study in hand is to determine the varied factors that would be responsible behind a successful Indian Restaurant in Prague. The research objectives of this study are:

- To determine the viability of specialty restaurants in Prague with special spotlight on Indian restaurants.
- To critically analyze behavior of consumers by identifying varied intrinsic and extrinsic factors affecting their purchase behavior towards restaurants.
- To scrutinize the current market for Indian Restaurants along with those operational in Prague.

2.2 Methodology

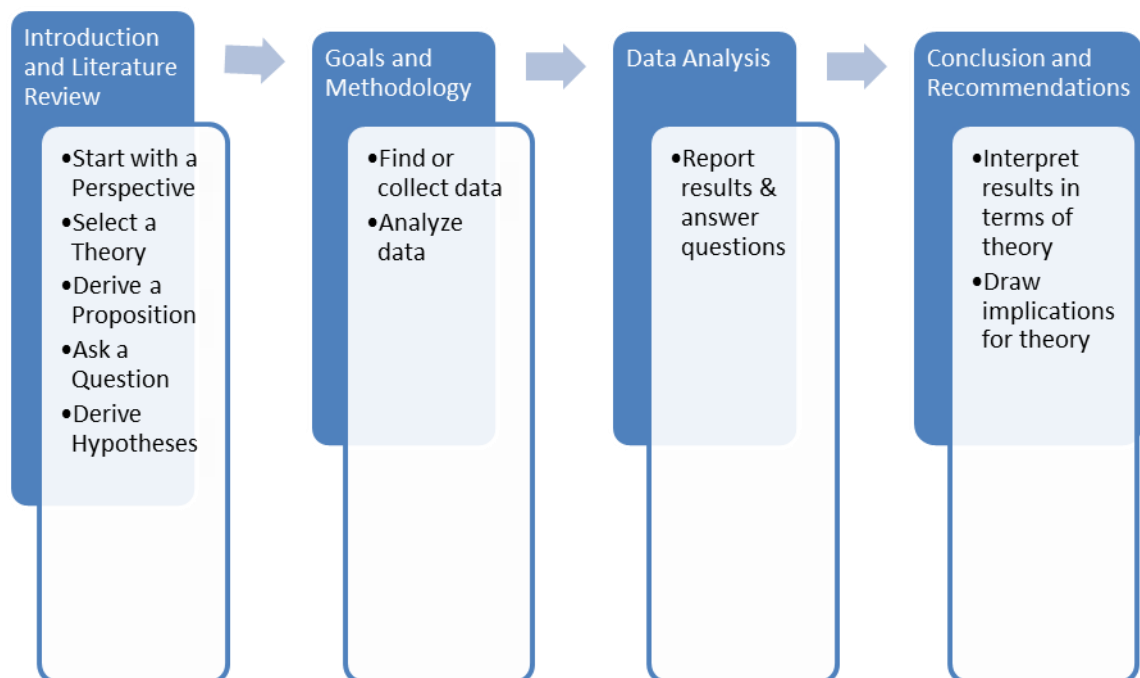
2.2.1 Information Needs and Source

Despite evident presence of Indian restaurants in Prague, there have been negligible studies conducted focussing on their operations and their success in catering to customers' personalized requirements and satisfaction. There has also been minimal studies which recorded the changing Indian culinary styles to appease the European customers, along with maintaining its identity. In such a situation, the researcher felt the need to gather information about the functioning of Indian restaurants in the competitive European market, by fulfilling the extrinsic as well as intrinsic factors of customers' satisfaction, thereby bringing forth a new perspective on the same. The study starts with obtaining information about the Indian restaurants operating in Prague and the various factors on which their success is dependent from secondary sources. These secondary sources include past research reports, journal articles and official websites. The information derived from these secondary sources was then used to establish a base for developing the questionnaire for the study on the basis of which primary research has been conducted. The primary research has been conducted to obtain first-hand information about the experiences and perceptions of both customers as well as restaurant owners about the factors impacting the success or failure of Indian restaurants in Prague.

2.2.2 Research Process

The study employs the research process comprising of 10 steps as shown in the figure below, as suggested by (Lynch 2013). The research process has been executed with precise focus on the research aim and objectives of the study as a guiding tool, from determining methods and procedures for data collection to data analysis and drawing implications.

Image 2.1: 10-step Research Process



Source: (Lynch 2013)

2.2.3 Choice of Methods

The study uses two methods to analyse the findings and reach its conclusion– exploratory and descriptive. Exploratory assisted the researcher in gaining new perspectives through review of literature on beverage industry and factors of customer satisfaction and responses gathered from the participants. Descriptive carried forward the findings of the exploratory research by evaluating and synthesizing data related to participants’ perspectives, followed

by an explanation. Through these two methods the research questions are answered by way of collecting qualitative and quantitative data on population/products/phenomenon. The methods helped the researcher in understanding the intrinsic and extrinsic factors affecting consumer behaviour towards restaurants in Prague and the strategies adopted and challenges faced by restaurateurs in making their Indian restaurants in Prague a success. The study uses a combination of qualitative and quantitative approaches for the purpose of attaining these objectives.

2.2.4 Data Collection process

For the purpose of collecting primary data, the qualitative research is conducted by interviewing two restaurateurs operating Indian restaurants in Prague using a semi-structured open-ended questionnaire to facilitate detailed responses. The quantitative research is conducted by surveying 120 locals from Prague using a close-ended and structured questionnaire to obtain responses suitable for statistical analysis. Also, it was ensured that all rules and procedures of data collection were duly followed and the accuracy and validity of data was maintained. Furthermore, for collecting the qualitative data, non-probability convenience sampling plan was used and for quantitative, probability random sampling, where all the visiting customers had equal opportunity to participate.

2.2.5 Data Analysis procedures

The primary data collected from survey and interview needs to be processed and analyzed so as to obtain answers to the research questions defined for the study. The in-depth responses obtained from the interviews (qualitative research) were analyzed using the content analysis technique of inductive approach, wherein the varied responses have been inferred in context of the research topic and patterns among them have been identified, to present a general theory. These inferences were then corroborated with secondary data and used to answer the research questions.

The numerical data from the surveys was analyzed through deductive approach of reasoning where, the researcher identified the concerned factors influencing customers'

satisfaction by establishing a theoretical framework. Following the concerned approach, the responses were first coded and transferred to an excel sheet. Thereafter, the data was transferred to SPSS data file and analyzed using appropriate statistical tools. The researcher used statistical tests like frequency distribution and factor analysis to arrive at the desired results. The results were then presented in tabular or graphical form and inferences were drawn from them.

2.2.6 Verifying Data Accuracy (Reliability)

The reliability of qualitative data has been ensured by ensuring that the inferences drawn from the responses of the restaurateurs were free from the personal bias of the researcher and the researcher's views have no impact on the inferences, including factors like trust and rigor. The reliability of quantitative data has been ensured by calculating the Cronbach alpha reliability coefficient. As noted by Cronbach & Gleser (1957), if the value of the coefficient is more than 0.50, the data under study is reliable. For the current study, the Cronbach alpha value is 0.63 which means that the data under study is reliable.

2.3 Chapterisation Overview

The entire study is further segregated into 5 chapters.

The **first chapter is Introduction** wherein the vital aspects with regards to research background and problem statement have been clearly outlined. In this chapter an overview of foodservice business in Prague and prevailing market of Indian restaurants within the same locality is also provided. Besides, the research aim and selected methodology (e.g. sampling techniques, data collection tools and procedures, ethical aspects) have also been discussed in this chapter. The **second chapter is Objectives and methodology** which discusses the objectives of the study and the research methods and procedures used to attain those objectives. The **third chapter is Literature review** which reviews literature on hospitality industry in Prague, restaurant and developing a business plan for the same and varied extrinsic and intrinsic factors affecting consumer behaviour is undertaken.

Based on this review a conceptual model supporting the topic under study is also developed. **Chapter Four, the Practical part** elaborates on the market analysis for Indian Restaurants in Prague in terms of population demographics, major eateries, major traffic arteries and need and demand for Indian Restaurants in Prague. Next, **chapter five is the data analysis**, which highlights and confers the outcomes of primary data analysis pursued for this study. **Finally, Chapter six** proposes conclusions and suggestions on the basis of results and discussions depicted in prior chapter.

3 Literature Review

3.1 Hospitality Industry: General Overview

3.1.1 What is restaurant?

The destination where the people can plan to have a meal either at the place itself or on the fly may be deemed as a restaurant. Many restaurants strive to provide a perfect dining experience. The quality of food, its taste, service provided, cleanliness and ambience are the major concerns that a customer bear in mind while entering into a restaurant in order to have a meal. The arrangements and managements of different restaurants are varied. Many restaurants let their customers to place order at the table while others urge them to make that at the billing counter Henkel & Brown (2007).

A restaurant is a type of business wherein food and beverages are served in exchange for money. Some restaurants charge money in advance while others provide bills once the customer is done with his meals. It has been observed that meals are usually been served and consumed in the restaurant premises, however nowadays many restaurants also offer take away facility to their customers. In addition to this, a wide variety of food is served to the customers ranging from Indian to Italian, Mexican and Chinese. Some restaurant serve pure vegetarian food while others also provide non-vegetarian food (Adams 2009).

The price charges by these restaurants from their customers vary from restaurant to restaurant. Many fast food restaurants provide inexpensive food while a premium price is charged by many luxury restaurants serving variety of continental dishes to its customers. Some restaurants offer three meals i.e. breakfast, lunch and dinner while others serve only lunch and dinner (Bastianich 2012).

A report by National Restaurant Association (2014) elucidates that the sales of restaurants is about \$683 billion and are established at one million locations having a workforce of about 13.5 million. They are serving as cornerstone in every country. The report also depicts that the favourite past time of Americans is dinning. However, there are several challenges faced by the restaurant owner beside the fact that the restaurant industry is going to bloom in the future. According to the National Restaurant Association's 2014, it was forecasted in the report of restaurant industry that restaurant-and-foodservice transactions will be \$683.4 billion in 2014.

3.1.2 What is success for restaurant owner in general?

It is very strenuous task to start a restaurant and make it a success. The success of the restaurant in present times with the advent of social media, relies on word of mouth publicity of the restaurant, either about its food quality, ambience, or service. The word of mouth publicity matters a lot to restaurants either when it is positive or negative. And it rest upon several factors food, ambience and the service provided by the restaurant to its customers. Many a times, restaurant turns out to be boring and unattractive venue in spite of tasty food served by it. Hence a complete package is paramount for the success of the restaurant owner (Oros 2014).

Henkel & Brown (2007) propounded that restaurant owner can also urge for the reviews from the customers so that they can find out their mistakes and can rectify them. They must also be aware of the reasons behind their propelling business so that they can make it as their Unique Selling Proposition. It was further explicated that the marketing plan of the restaurant owner must be clear so that it can even reach out to the people who far away from the location of the restaurant. Besides, in the initial phase of the restaurant business, word of mouth publicity plays vital role to attract the customer and make them switch from the existing food joint. In the same year, Brown (2007) also elucidates that the restaurant owner must concentrate on his business and management of affairs and ignore the competition. In this way one can better please the customers.

Wilson (2009) stated that the success of the restaurant owner has different meaning for different people. For some it may refer to the large market share and good return on investment while other may consider quality of food and services, flawless execution, positive customer feedback as their mantras for success.

Oros (2014) asserted that many hoteliers survive despite of various ups and downs in economy because of the knowledge of the industry and modifications with the changing trends and likings of the customers. Moreover, a true passion for the business is also required to be successful with contended customers. Furthermore, the restaurant owner must ensure to take care of its staff, food stuff, facility and customers as that of his family.

3.1.3 What is Business Plan?

A business plan refers to a written document that expresses notion for merchandise or service and the way in which it is going to make money. It comprises of marketing plan as well as estimations for income, expenditures. This notion also signifies the roadmap of business. With the help of business plan, the entrepreneur can plan about the various features of his business on paper. It also aids in avoiding unnecessary mistakes in future. Business plan also assist the entrepreneur in thinking about the costs associated with beginning a business and to gain the trust of bank and other financial institutions by showing them their idea of business (Berry 2008).

A business plan empowers an entrepreneur to validate to investors, together with initiators and shareholders, that there are prospects for substantial growth of business in a large market. However, the plan should demonstrate that the business is adept in attaining noteworthy market power with a justifiable and distinguished merchandise or service offering. The business plan also shows that the prospect is a worthy investment deal. It should embrace value-enhancing mileposts and an accurate evaluation that will empower investors to realize their target return on investment. The business plan is also a framework of explicit withdrawal strategy. The task of making and documenting a business plan offers the commercial team with the chance to consolidate their shared perceptions about the company and, the commercial prospect, as well as the mode in which they are going to accomplish their organizational goals. The figure below shows that writing a business plan is a 3 step process (Mars 2009).

Figure 3.1: 3 Step Process of Business Plan



Source: (Mars 2009)

Sahlman (2008) elucidated that the business plan tells about the products and services offered by the company along with the history of the business. In case it is a new business, then it exhibits about the idea behind starting up the business. In addition to this, the legal structure is also revealed in the business plan.

3.2 Hospitality Industry in Prague: Overview

3.2.1 Overview of specialty restaurants in Prague

Some of the specialty cuisines available in Prague are Chinese, Indian, Mexican, Italian, Japanese, Korean, Thai, Vietnamese, French, American and European. According to (Cerna & Machalek 2007) it is understood that there were only minimum cuisines available other than the Czech ones such as the Chinese, Indian and Japanese during 2007. That too only Prague had these types of restaurants while the other parts of Czech did not. The authors also suggest visiting the pubs and breweries. Other interesting facts about the restaurants in Prague are: smoking is prohibited during lunch time, fork in the left hand and knife in the right hand is the way of handling utensils which is different from the American way. It is very difficult to find only vegetarian restaurants as non-vegetarian is the main meal there (Cerna & Machalek 2007).

Planet et al. (2012) call Prague as the lonely planet for its uniqueness and with respect to pricing; the customers are overcharged in tourist centred restaurants. This happens mostly in the restaurants at the old town square and Wenceslas square. They warn that nothing will be provided complimentary to the customer. Some of the dining etiquette followed in Prague is: say 'dobrou chut' before eating, no conversation when food is consumed.

Gehrels & Blantar (2012) lists the external challenges faced by the hoteliers in Prague based on a study of two Hilton hotels and how they have been affected in managing the revenue after the economic crisis. The popularity of the destination has decreased. Economic crisis and its ripples have created a vacuum in the tourism attractive measures. Czech hotels remains less attractive as their domestic currency is strong but the consumers are usually charged in Euros or US dollars. Also the taxation like VAT is revised by the government which has further worsened the situation. Besides there is a huge influence of

Americans on the Czechs in terms of cuisines and holiday. This has resulted in more number of American types of restaurants in Prague.

Based on their interesting study related to gluten free dining options in Czech Republic, Šálková & Regnerová (2014) found that the hospitality sector in Prague is not satisfying all the customers who are requesting for a gluten free diet. However there are some exceptional fast food establishments and specialty restaurants which provide the same. For example the fast food establishment called Soup Shack (Polífkárna) is a famous soup provider in Prague and it has the option of a gluten free soup. Some restaurants were also found to have crossed grain symbol for the gluten free dishes in the menu like the Potrefena Husa which has American as well as European cuisine other than Czech.

Some of the restaurants with special cuisine that are on the top are the Aromi and Osteria da clara for Italian cuisine, Las Adelitas for Mexican cuisine, Pho Vietnam Tuan & Lan for Vietnamese cuisine, Universal and Zinc for European cuisine, Celeste for French cuisine (Fodor's 2014).

The Vietnamese occupy the greater population of the minorities in Czech and they run the Chinese food restaurants in Prague. Much western type of hotels has increased in number however the pricing would be in the higher range. Also it is found that international cuisines are offered in many of the restaurants. The menus are written in both English and Czech. Prague includes now some of the selective range of branded hotels namely Hilton Prague, Holiday Inn, Intercontinental, Marriott, Radisson, Renaissance and Savoy to name a few (IBP & Inc. 2015).

Henceforth, we understand that the variety of cuisines and specialty restaurants have increased in Prague over these years. In the next section, let us see the Indian restaurants that are currently operational in Prague.

3.2.2 Overview of Indian Restaurants currently operational

Indian cuisine and restaurants form the main attraction of Prague's hospitality sector which is proved by some successful Indian restaurants. Though there are many Indian Restaurants in Prague, a few of them have been discussed in this section which holds significance due to several reasons. With liberalization and globalization, some of the Indian companies have started investing in Czech which constitutes about 10%. This investment also

includes the hotels and restaurants as there is a growing market for the same (Goyal & Mukherjee 2012).

Ramadurai (2013) guides us with some of the best vegetarian restaurants in Prague. This includes Govinda's restaurant run by the International Society for Krishna Consciousness (ISKCON) that offers both Indian and International cuisine. It is known for its healthy food and reasonable prices. Gopal is another Indian restaurant located in the Nerudova area that offers pure Jain food. The dishes here are made without eggs, onions and garlic.

The Indian fast food restaurant Bombay Express is functional since many years in Prague. Though they do not have separate menu for gluten intolerant people, they are flexible to include the opted main course instead of the item with gluten (Šálková & Regnerová 2014).

The travel publication Fodor's states that the area Vinohrady in Prague has become the capital of some best restaurants since the year 2000. It also includes several Indian restaurants wherein the restaurant Lal Qila is best of them. The standardized Indian curries, tandoori dishes, and samosas are exceptional and the English speaking waiters are an added advantage (Fodor's 2014).

Curry Palace is another Indian restaurant which also has a Bangladeshi cuisine in Prague. In less than 3 years, it is known for its home styled Indian and Bangladeshi food available at a competitive price. The customers are not only expatriates but also Czechs. The different Indian menus that are popular are butter chicken, bhideo bhajee, chicken Madras, dall tarka, pulav rice, garlic naan, and chai. The customers have even the facility to book their tables advance through face book. They also undertake catering orders, home deliveries and so on (Prucha 2015).

The famous portal that rates the hospitality establishments all over the world based on the user reviews and various other criteria, has awarded the Indian restaurant in Prague - K The Two Brothers as the winner of 'The Traveler's Choice' category. Some other Indian restaurants such as the Indian Jewel, Beas Vegetarian Dhaba, Bombay Express, Mailsi and Curry house have gained the certificate of Excellence because of their consistent and excellent consumer feedbacks for their Indian cuisine in Prague (TripAdvisor 2015).

3.3 Consumer Behaviour: Overview

3.3.1 Extrinsic Factors contributing towards success of Indian Restaurant

Success of Restaurants is dependent on several external factors which are uncontrollable forces (Hua & Templeton, 2010). Further, Nyheim, McFadden and Connolly (2005) in their study discuss about the importance of three extrinsic factors i.e. Culture, Social and Personal influencing the success of any restaurant. The success of Indian restaurants in Prague is also dependent upon the cultural, social and personal factor of consumer behavior. In terms of culture, the report by Euromonitor (2015) elucidated that there is an increasing popularity among the inhabitants of Czechs republic concerning home delivery and take away food. This may indicate that the disposable income of the citizens of Prague is increasing leading to placement of more and more online order by them. Moreover, the working culture of the employees is also enforcing to place online orders. The changing lifestyle and nuclear family is leading to the success of the restaurants in terms on excessive online meal order. It was found that in 2014, highest online orders were placed by the customers and about 1600 restaurants served food to them (Euromonitor International 2015).

With the increase in income and standard of living, people are resorted to embrace high technological advancement in restaurants as well. Furthermore the Kiosk opened by the food joints is highly appreciated by the people. It has been observed that there is decline in the percentage of unemployed people in Prague leading to a considerable living standard enjoyed by the population. The outlook of the consumers of Czech Republic is optimistic towards future spending which shows that there are prospects for growth and high revenue for the restaurant owners (Ščasný et al. 2013).

Further, in terms of social factors, the consumer behavior is dependent on several social factors like; family, colleagues, and their social status. The behavior of the people in Prague concerning the success of Indian restaurants can be deduced from the fact people generally eat out during weekends, and with influence of friends and family people can make any restaurant a success story. Socially, groups, family and friends have both direct and indirect influence upon person's attitude, behavior and aspirations (Mlejnková 2011).

Personally, the spending capacity of the individual is an important critical success factors any restaurant. As stated by authors above, IBP USA (2012) also elucidated that the

disposable income of the people in Prague increased leading to eating outside the home. Moreover, due to changing lifestyle and living standard, the demand for international cuisine also increased. Restaurants are keen in serving various varieties of food to please their customers. Furthermore, it was also found that the varying work culture is leading to increase in demand of convenience food. This shows that people are finding it comfortable to consume ready to eat food due to their busy lifestyle. However, this shows that with the increase in demand of convenience food, there would be a considerable impact on the growth and success of Indian restaurants in Prague.

With respect to the increasing diseases, the high income group people are more cautious about their eating habits. Many restaurants in response to such behavior have reduced the salt content in their food. Moreover, environmentally friendly food is offered by the restaurants. People also don't want to cook food for themselves and thus are interested in fast food which are quickly served (Zahrádka & Sedláková 2013).

Adults and families are major customers for the restaurant owners as they are found to be loyal and due to speed with which the food is served along with the overall atmosphere of the restaurant. Families with children are interested in fast food joints as they even provide toys to the children with their meals which are liked by the kids (Swarbrooke et al. 2007).

3.3.2 Intrinsic Factors contributing towards success of Indian Restaurants

Hudson (2008) stated the restaurants needs to adapt themselves to the changing needs and desires of the customers. For some customers, routine and comfort food is appealing while other customers demand adventures and novel recipes. They find it interesting to try out new dishes. Hence the belief and perception of the customers becomes instrumental for the restaurant owner. It was also propounded that television, magazines and internet has made people aware of the quality of services and fine dining. Hence their perception has been changed a lot leading to demand of quality food, excellent presentation and quick service.

Zahrádka & Sedláková (2013) stated the psychological aspirations of the population in Czech Republic were observed from their being modern and fashionable with the changing trend. The consumption pattern of the people also changed and there was increase in the use of credit cards. The changing consumption pattern reflects that the frequency of visiting restaurants also increased which resulted in increase in earnings of restaurants. The

inhabitants of Czech were more into spending and living luxury life. This in fact became their symbol of social success. In addition to this, for spending leisure time, restaurants and shopping centers were the most chosen place by them.

Zagata (2012) elucidated that in Czech Republic; organic consumers share opinions and beliefs about constructive fitness effects, ecologically friendly creation and improved taste of organic foodstuff. This shows that there is consciousness among the citizens of Czech about the health benefits of organic food. It has also been found that many consumers purchase organic food on a regular basis. There is belief among the consumers about good quality of the product and process. It may be inferred that restaurants that are making efforts to serve healthy and organic food to the customers are going to reap the benefits. The belief and behavioral intention towards organic food was also demonstrated by (Acton 2013) besides (Zagata 2012).

Pravdová (2006) stated that McDonald's is a well-known fast food restaurant in Czech Republic. He asserted about the perception of the customers of Czech about the quality and value of the goods. Moreover, it was also found that though the consumers are very rational yet they are very demanding. In addition to this, the lack of financial means made them very selective. This shows that a mixed view about the consumers of Czech Republic was given by various authors. On one hand some authors explicated that customers need convenience food because of their busy life and good purchasing power, on the other hand some authors are of the view that customers are not financially stable and hence are very choosy. The restaurants owners need to customize their services as per the needs and requirements of the customers.

3.4 Conceptual Framework

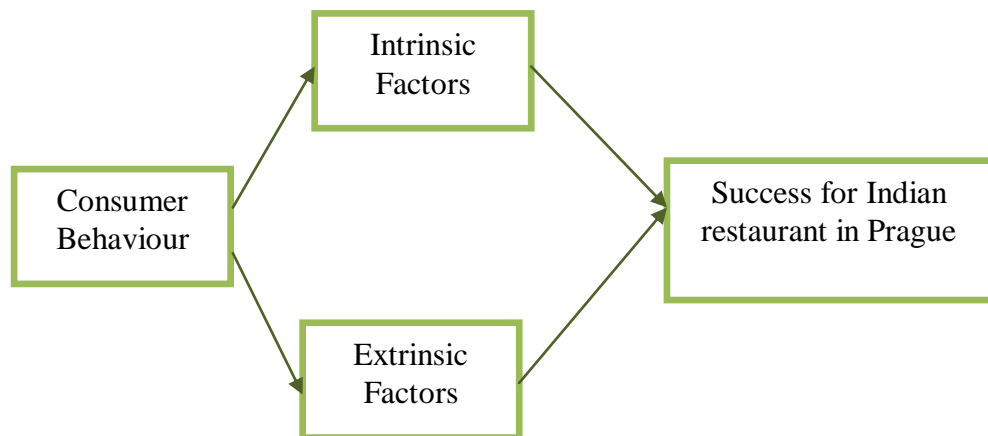
The primary objective of this segment of the study is to support critical review of literature for developing groundwork by determining course of action for further research. Conceptual frameworks are graphical and symbolic versions of underlying theories and moulds that are reviewed by a scholar in the sections above. These sections were mainly related to review of literature on concepts of restaurants, factors responsible for its success, process of starting up a business, overview of prevailing hospitality industry in Prague with special focus on Indian restaurants as speciality restaurants and overview of consumer behaviour wherein detailed analysis of extrinsic and intrinsic factors are undertaken. In

simple terms, the conceptual framework supports creation of a blueprint taking research to the next level.

This review was pursued for supporting a broad understanding of the study in hand thereby interpreting information for further continuation of the research work. The objective of the conceptual framework is to determine relationships between varied concepts studied and thus endow with creation of optical construal of the same. It is this conceptual framework that validates the endeavours made by scholar towards accomplishment of research aims and objectives. It is a diagnostic mechanism which smoothes the progress of institutionalization of information procured from at odds circumstances.

The conceptual framework of “Factors influencing the success of Indian Restaurant in Prague” is illustrated in figure below wherein explicit insights to the study have been provided.

Figure 3.2: Conceptual Framework



Source: Scholar

The above conceptual framework has been developed considering review of literature and background of this study. Based on this framework it can be specified that the primary aim of study in hand is to determine the varied factors that would be responsible behind a successful Indian Restaurant in Prague.

The major intention of developing these research aims and objectives were to determine research question that will be answered through this study. Thus the varied research questions to be resolved are:

- 1 What is the feasibility of Indian restaurants as specialty foodservice units in Prague?
- 2 What are the varied intrinsic and extrinsic factors that affect the behavior of consumers in Prague towards selection of restaurants?
- 3 What is the scenario of prevailing market for Indian Restaurants and general idea about Indian restaurants operational in Prague?

3.5 Summary of the chapter

The chapter by far has been successful in determining the varied conceptions and aspects allied to the current study on “Factors influencing the success of Indian Restaurant in Prague”. Prima facia it can be determined that this review of literature provides for concrete and comprehensive information from possible secondary sources so that a conceptual framework could be laid upon. Decision making is always based upon sound facts and figures. Thus this chapter outlines the conceptions of differing scholars which have been reviewed decisively to support effective decision making. This will further assist in taking decision with regards to starting up a business in proposed segment or not.

All the information presented in this segment has been retrieved from at odds secondary sources like journal publication, reports (government and non-government), newspapers, books, magazines and internet resources. This information also supported in determining the holes present in existing literature which through this study can be filled up to a significant extent.

From literature reviewed it can be stipulated that foodservice industry in Prague is a viable business option if companies provide with added features like home-delivery / takeaway systems. Though overall foodservice industry in Prague is experiencing a decline but yet speciality restaurants especially Indian restaurants are much sought after making it an attractive option for investment.

With declining unemployment and increasing disposable income among people in Prague clubbed with changing taste-buds which demands exotic food, the consumer behaviour towards Indian restaurant is emerging to be more positive. Even factors like increasing demand for healthy and organic foods which also includes vegetarian meals (a speciality of Indian cuisine) have a positive implication. But factors like busy lifestyle and selective decision making tends to negatively affect consumer behaviour towards Indian restaurants.

While investigating and digging in data for this study it was realized that there is a dearth of studies that can support in decision making by understanding factors responsible for success of Indian restaurants thus settle on setting up a business related to the same. The present research thus is an endeavour to fill up this gap.

4 Practical Part

4.1 Market analysis for Indian Restaurants

4.1.1 Population Demographics

The population of Prague has been estimated at less than 1.25 million at the end of year 2013 (Czech Statistical Office 2014). The report noted that over the years, there has been a change in the age structure of the population such that working population has increased significantly. This is mainly because young people have been migrating to the city (both internally and externally) due to career opportunities. It has further been noted that the average monthly gross wage in Prague was 32,879 CZK in the year 2013 (Czech Statistical Office 2014).

The demographic profile of the 120 customers surveyed for the primary research revealed that about 80% of the respondents were aged between 18 and 45 years of age and almost equally divided in terms of gender (56% males). Further, the respondents were mostly locals (85%) and more than 90% had either bachelors' or masters' degree. 78% of the respondents were married and 63% had children. In terms of income, about 80% of the respondents had a monthly income of CZK 10,000 to CZK 50,000.

4.1.2 Major Eating Places

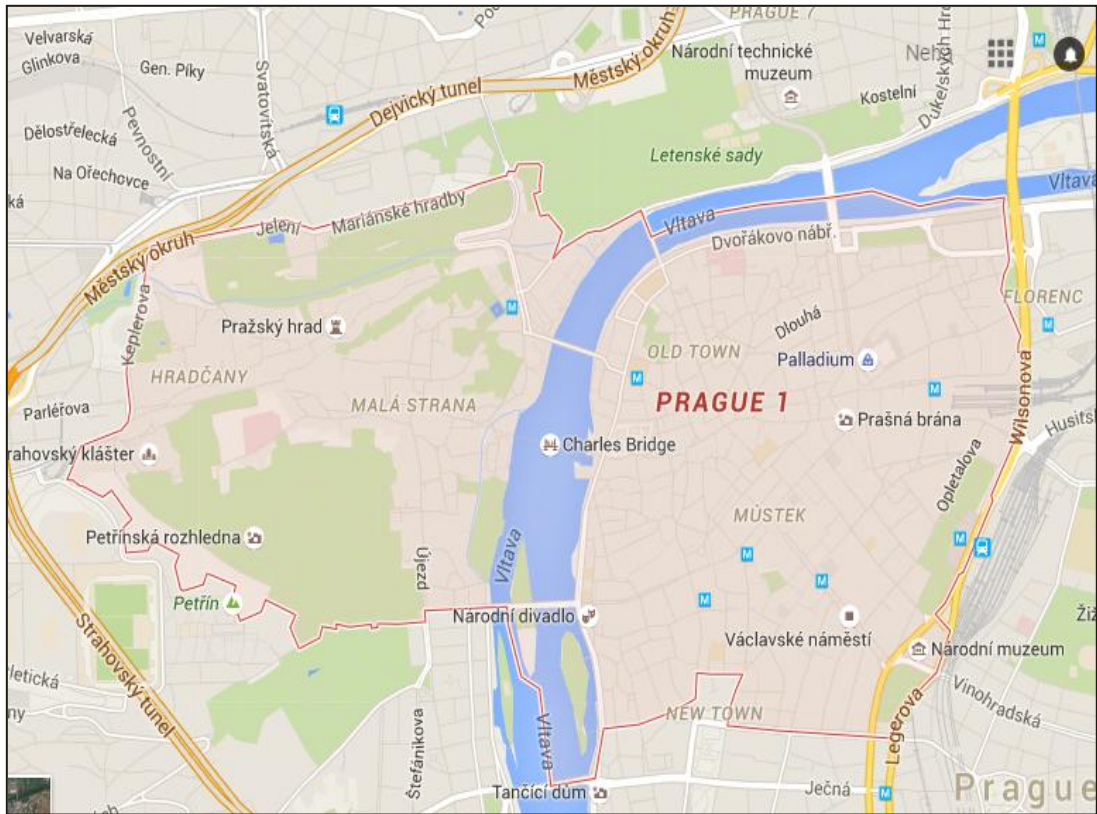
Matthews (2015) stated that Prague 1 is the most preferred areas for eating out; however, it is expensive and less authentic. She noted that Prague 2, 3, 8 and 10 (Vinohrady and Zizkov) are also preferred by many tourists since these areas offer authenticity at reasonable prices. These areas have numerous cafes and restaurants comprising of local as well as international cuisines which make them popular for eating out, for tourists as well as locals.

Numerous popular Indian restaurants have emerged in Prague over the years, as noted by Fiona Gaze (2012). These include Beas Dhaba, Himalaya and Indian Jewel in Prague 1; Golden Tikka, Lal Qila and Masala in Prague 2; Dilli-Delhi and The Pind in Prague 3; and Curry House in Prague 8.

4.1.3 Major Traffic arteries

It has been noted that most tourists prefer to stay in Prague 1 since it is considered to be the heart of the tourist district, from where all tourist spots have close proximity (Matthews 2015). The image below shows the Prague 1 area highlighted:

Image 4.1: Prague 1 area



Source: Google Maps

One of the busiest roads in Prague is the Plzenska street which usually has heavy traffic. The image below shows this street:

Image 4.2: Plzenska street



Source: Google Maps

4.1.4 Need and Demand for Indian Restaurants

Prague accommodates fans of many international cuisines like Chinese, Japanese, Thai and more recently Indian cuisine, which is gaining popularity at an accelerated speed. This is mainly because of the variety of flavours offered by the combination of Indian spices. At the same time, Indian cuisine serves well those customers who are looking for vegetarian options to dine out. In addition to this, people are more willing to try newer tastes and Indian cuisine offers enough variety in exotic flavours (Fiona Gaze 2012). The growing demand of Indian restaurants has been noted during the primary research as well when more than half of the respondents (52.5%) stated that they preferred going to Indian restaurants while dining out. However, only 28.3% stated that they are regular at any specific Indian restaurant. The primary research also found that more than half of the respondents (51.7%) went for dining out 2-3 times a month while 37.5% went to eat out once a week. This highlights the emergence of eating out culture in Prague. Further, in terms of spending, half of the respondents spent CZK 501 to CZK 1,000 on eating out per week while 24.4% stated that they spent same amount every time they ate at an Indian restaurant. 57.5% stated that they spent CZK 201 to CZK 500 during a visit to an Indian restaurant.

Choice of cuisine	Percentage
Multi-cuisine	65.8%
Chinese	60.8%
Thai	56.7%
Indian	52.5%
Japanese	42.5%
Mexican	22.5%
Italian	18.3%

Table 4.1: Popular Choice of Cuisine

Source: SPSS 21.0

As a result, there has been a rise in the number of Indian restaurants in Prague over the years. Unlike earlier, when only high-end options were sought after by customers, there is a growing demand for more varied options offering Indian cuisines at affordable prices and even fast-food outlets offering regional and family recipes from India (Fiona Gaze 2012).

5 Results and Discussion

5.1 Factors influencing the success of independent restaurants

The primary analysis revealed that customers preferred eating out dinner time meals (62.5%) during weekends (60.8%) rather than breakfast or lunch meals during weekdays. Further, 63.3% felt that Indian restaurants were moderately priced and 75% said that they are willing to drive or travel 500 meters to 5kms to go their preferred Indian restaurant.

The factors which influence the success of independent restaurants have been categorised into extrinsic and intrinsic factors in the literature view. Based on this segregation, the perceptions of customers to these factors have been obtained during the quantitative research. In order to analyse the responses of the customers, the statistical technique of factor analysis has been deployed. The test has been applied to customers' responses to the extrinsic and intrinsic factors and the results are discussed in the subsequent sections.

5.2 Inferential analysis

The table below shows the extrinsic and intrinsic factors affecting success of independent Indian restaurants in Prague. The factor analysis results determine whether the responses to various factors can be categorised into these different extrinsic and intrinsic factors.

Extrinsic factors	Intrinsic factors
Cultural factors	Motivation
Social factors	Perception
Personal factors	Attitude
Restaurant specific factors (Food quality, food presentation, service quality, ambience, location, cleanliness)	

Table 5.1: Extrinsic and Intrinsic factors

Source: SPSS 21.0

5.2.1 Data assessment for factor analysis

Prior to conducting the factor analysis, the correlation matrix and KMO and Bartlett's test of Sphericity have been analysed to determine whether the data is fit for conducting factor analysis. For both extrinsic and intrinsic factors, the analysis of correlation matrix (attached in Appendices) revealed that most of the correlation values for the variables are greater than +/-0.30. This indicates that there are patterned relationships among these variables. It was also noted that the determinant score is not equal to 0; which means that the data is free from the problem of multi-collinearity.

	Extrinsic factors	Intrinsic factors
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	0.809	0.794
Approx. Chi-Square	1582.028	638.456
Sig.	0.000	0.000

Table 5.2: KMO and Bartlett's test results

Source: SPSS 21.0

Further, the results of KMO and Bartlett's test of Sphericity, as shown in Table, indicate that for extrinsic factors, the KMO measure is equal to .809 (>.5); while for intrinsic factors, it is .794 (>.5). This shows that the data will be able to produce distinct and reliable factors and the factor analysis will yield significant results. Further, it can be seen that for extrinsic factors, the Chi-square value is 1582.028 while for intrinsic factors, it is 638.456. Both the values are significant at p-value=.000; which is less than .05. It can thus be concluded that conducting factors analysis is appropriate for both the datasets. Thus, the Principle Component Factor Analysis has been conducted on all the variables under extrinsic and intrinsic factors applicable for success of restaurants. The results of the factor analysis have been analysed below.

5.2.2 Results of factor analysis (Extrinsic Factors)

5.2.2.1 Analysis of Total Variance Explained

The table below shows the total variance explained for the extrinsic factors. The table provides the details of the variance after rotation and its attribution to each of the extracted factors.

Total Variance Explained			
Component	Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %
1	4.061	23.885	23.885
2	3.918	23.048	46.933
3	2.566	15.092	62.025
4	2.377	13.980	76.005

Table 5.3: Total Variance Explained for factor analysis of extrinsic factors

Source: SPSS 21.0

The table above shows that the total variance after rotation for 1st component (Cultural Factors) is 4.061, 23.885% being attributable to this factor after rotation. Similarly, 23.048% of the variance is attributable to the component 2 (Social factors), 15.092% attributable to component 3 (Personal factors) and 13.980% (Restaurant specific) attributable to component 4.

5.2.2.2 The Scree Test

The figure below shows that there are 4 factors which have been extracted by the scree plot after which the line goes below 1 and the curve smoothens out revealing a straight line. Thus, it can be said that there are 4 factors which have emerged as extrinsic factors playing a role in making Indian restaurants successful in Prague.

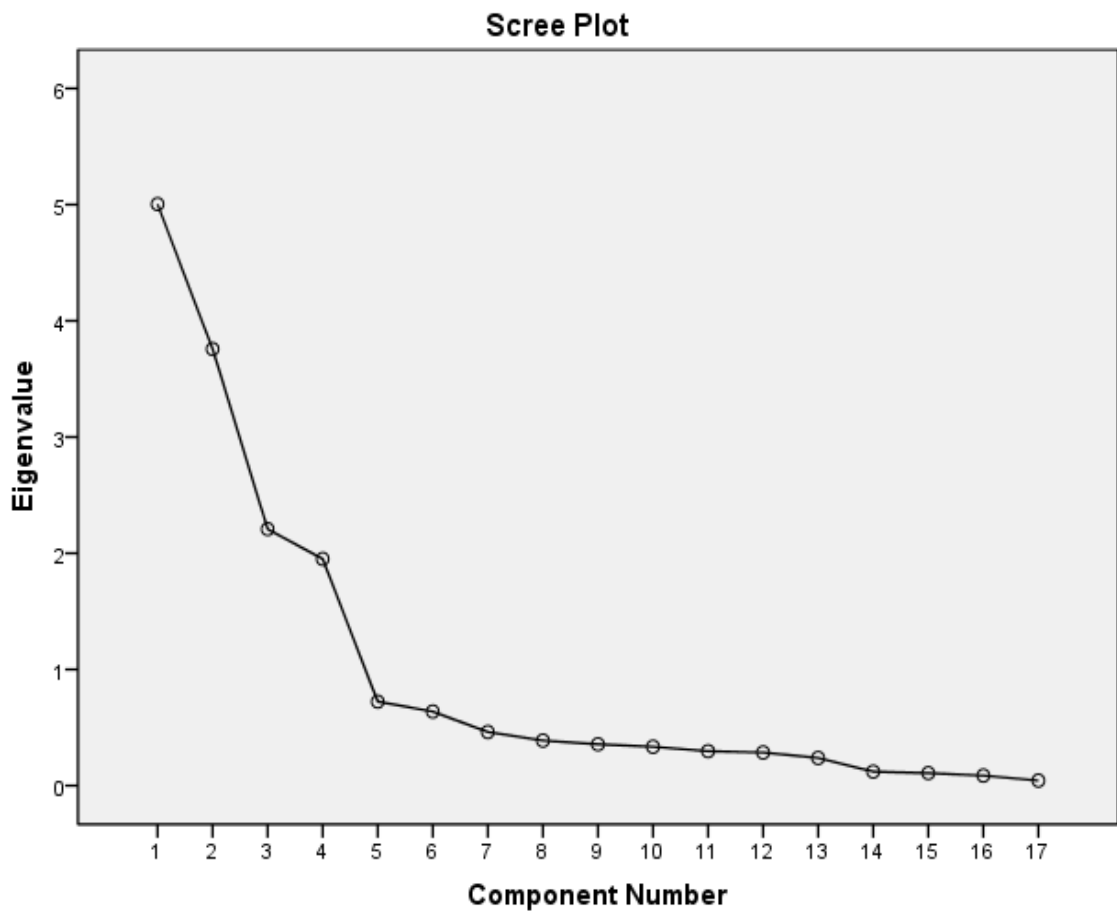


Figure 5.1: Scree Plot

Source: SPSS 21.0

5.2.2.3 Rotated Component Matrix

The factor analysis has been conducted using orthogonal/Varimax rotation as the criterion resulting in a clear identification of four different factors. The results of the Varimax rotation are shown in table below.

Rotated Component Matrix				
	Component			
	1	2	3	4
RSF1	.808			
RSF2	.764			
RSF3	.821			
RSF4	.818			
RSF5	.846			
RSF6	.836			
CF1		.948		
CF2		.926		
CF3		.947		
CF4		.967		
SF1			.934	
SF2			.831	
SF3			.926	
PF1				.780
PF2				.833
PF3				.850
PF4				.526

Table 5.4: Rotated Component Matrix for extrinsic factors

Source: SPSS 21.0

The table clearly shows extraction of four extrinsic factors which are restaurant specific factors (RSF), cultural factors (CF), social factors (SF) and personal factors (PF). The variables within each factor have high correlations with each other, leading to such clubbing. Thus, the above analysis revealed that there are four extrinsic factors playing a role in making independent Indian restaurants successful in Prague.

Reid (1983) noted in his study that social factors exercise a significant influence over the decision making of consumers in hospitality industry. Culture has been considered as another important factor because cultural background of a person determines their eating pattern, choices of stay and other travel choices and thus, cultural factors are very important in the hospitality and travel business (Kotler et al. 1999). Nyheim, McFadden, & Connolly (2005) also noted that cultural, social and personal factors greatly influence the success of a restaurant. Similarly, it has been noted that when consumers make decisions regarding their choices, extrinsic factors are bound to impact them which include cultural, social and personal factors (Monteiro 2000).

5.2.3 Factor analysis for Intrinsic factors

5.2.3.1 Analysis of Total Variance Explained

The table below shows the total variance explained for the intrinsic factors. The table provides the details of the variance after rotation and its attribution to each of the extracted factors.

Total Variance Explained			
Component	Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %
1	3.053	30.535	30.535
2	2.350	23.495	54.030
3	2.336	23.362	77.392

Table 5.5: Total Variance Explained for factor analysis of intrinsic factors
Source: SPSS 21.0

The table above shows that the total variance after rotation for 1st component (Motivation) is 3.053, 30.535% being attributable to this factor after rotation. Similarly, 23.495% of the variance is attributable to the component 2 (Perception), and 23.362% attributable to component 3 (Attitude) suggesting nearly equal degree of influence exerted by these three components as intrinsic factors.

5.2.3.2 The Scree Test

The figure below shows that there are 3 factors which have emerged as intrinsic factors playing a role in making Indian restaurants successful in Prague, justifying the results reflected by the Total Variance table.

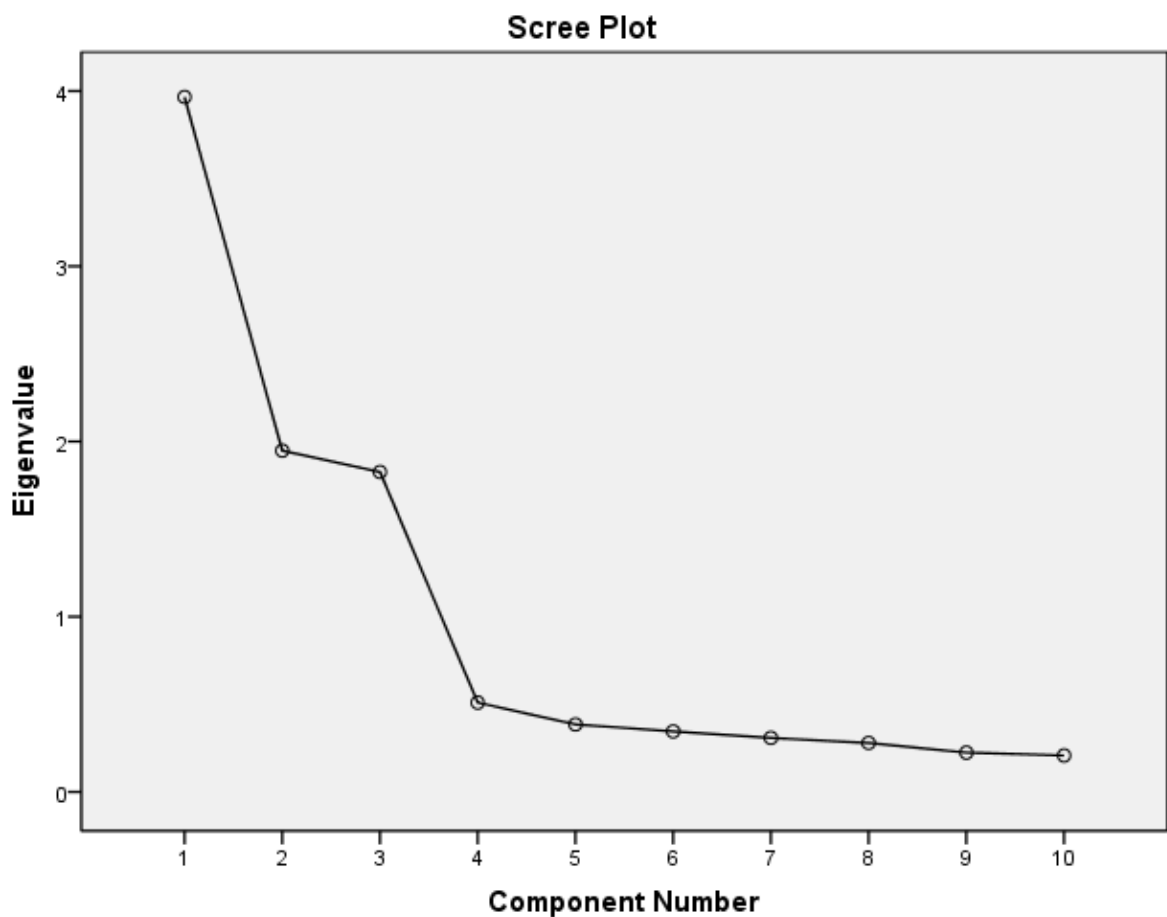


Figure 5.2: Scree Plot

Source: SPSS 21.0

5.2.3.3 Rotated Component Matrix

The factor analysis has been conducted using orthogonal/Varimax rotation as the criterion resulting in a clear identification of three different factors. The results of the Varimax rotation are shown in table below.

Rotated Component Matrix			
	Component		
	1	2	3
P1	.860	.892	
P2	.835	.841	
P3	.857	.883	
P4	.870		
M1		.892	
M2		.841	
M3		.883	
A1			.891
A2			.831
A3			.871

Table 5.6: Rotated Component Matrix for intrinsic factors

Source: SPSS 21.0

The table clearly shows extraction of three intrinsic factors which are motivation (M), perception (P) and attitude (A). The variables within each factor have high correlations with each other, leading to such clubbing. Thus, the above analysis revealed that there are

three intrinsic factors playing a role in making independent Indian restaurants successful in Prague.

Monteiro (2000) noted in his study that intrinsic factors are psychological factors like motivation, perception, learning, beliefs and attitudes which impact decision making of people. While Spears (1995) noted the importance of motivation in impacting customer preferences in food industry, Lundberg (1994) asserted that customers' choice of restaurant depends on perception i.e., how they perceive aspects like variety in cuisines, service provided and social status.

5.3 Qualitative Analysis

5.3.1 Strategies and challenges faced by Restaurants operational in Prague

The strategies and challenges faced by restaurants operational in Prague have been understood from the perspectives of two restaurateurs operating Indian independent restaurants in Prague. For this, they have been interviewed using an open ended questionnaire to facilitate detailed and informative responses.

While Mr. A has been working in the food and hospitality industry of Prague for 7 to 10 years, Mr. B had been operating an Indian restaurant in India prior to this restaurant for 5 to 7 years. Mr. A has been operating his independent restaurant since 4 years while Mr. B has been operating his restaurant since 3 years. Both of them stated that they cater to local people and Indian expatriates, tourists forming an insignificant part of their clientele. They stated that they serve about 150 to 200 customers per week.

5.3.1.1 Perception of success

Mr. A stated that his restaurant is able to garner a significant share of the market resulting in good returns on his investment. He stated that the location of his restaurant coupled with innovative tasty recipes enable him to attract customers. On the other hand, Mr. B stated that his restaurant enjoys a regular clientele of customers who love the food, ambience and service quality and promote them through positive word-of-mouth. According to him, goodwill built over the years is what makes a restaurant successful.

They further stated that being from a different ethnic region, it is challenging for them to compete with other international cuisines available in Prague. However, they added that customers are now more open to trying out newer tastes and flavours and they are attempting to tap that potential market by offering them with an ethnic Indian experience comprising of multi-spiced and flavourful dishes and traditional Indian ambience in their restaurants.

5.3.1.2 Strategies to achieve success

Mr. A stated that more than 60% of their customers are non-Indian and have varied taste buds. He stated that the restaurant caters to their demands by adjusting the flavours and spices according to their preferences and try to keep their recipes flexible. Both Mr. A and Mr. B stated that their restaurant offers diverse regional cuisines from India including Rajasthani, Punjabi and Gujarati to the customers. Mr. B stated that this helps them to introduce their non-Indian customers to various cuisines and develop their tastes.

Mr. B further stated that about half of his customers were of Indian origin and belonged to various regions from India. Since they served authentic regional Indian dishes, they were very popular among their customers. He further stated that there is increasing popularity of Indian flavours among non-Indian customers and also, customers are more open to trying new tastes, thus, they keep trying innovative recipes to attract them.

The respondents further stated that they paid close attention to details like presentation of food, authenticity, service quality, ambience and cleanliness of environment in their restaurants since these are factors which are almost basic for any restaurant to run smoothly and successfully over time. Mr. A stated that he tried to keep his customers motivated to visit his restaurant by ensuring that the prices do not dig holes in their pockets, and providing them with comfortable and fun environment where they can have a good time with friends and family. Mr. B stated that his restaurant tries to take into consideration personal choices of customers and their perception towards various cuisines and organic food. Accordingly, the restaurant serves its customers. The respondents also added that value customers are given additional discounts and other offers like organising a party or get together at reasonable prices so that they bring along newer customers and consequently promote our restaurant.

5.3.1.3 Challenges in achieving success

The respondents noted that they faced challenges in catering to non-Indian customers since their tastes were not developed for Indian cuisines which are spicier and have more flavours if cooked authentically. Mr. A stated that though they tried to adjust their recipes according to customer preferences, it was not always possible to induce flexibility in authentic recipes. Mr. B also stated that while some non-Indian customers were very excited and adventurous when it came to trying new cuisines, others were much apprehensive and preferred familiar cuisines.

Further, with respect to Indian customers belonging to different ethnicities, they faced issues surrounding authenticity of the recipes and even food presentation. They also stated that sometimes Indian customers demanded specific regional Indian dishes and the restaurants failed to serve them. Although they tried their best to serve customers as per their demands, it was not always possible due to obvious constraints like preparation time and unavailability of ingredients.

The respondents also stated that the restaurant kept trying new and innovative recipes. Rarely though, but sometimes these innovative efforts backfired and left the customers dissatisfied and displeased with their experience. In such a case, the manager went out of his way to more than compensate for the bad experience by serving exotic specialities or offering discounts and ensured that the customers never left with a bad impression.

5.4 Discussions

The analysis revealed that there is a reasonably high and increasing demand of Indian food in Prague and this demand is being met by many Indian restaurants operational in different areas of Prague. The options range between fine dining, specialty restaurants, multi-cuisine restaurants and fast food joints. The customers preferred having dinner meals on weekends and were ready to shell out money for a good dining experience with friends and family. It was found that the decisions of customers were highly impacted by various extrinsic and intrinsic factors. The extrinsic factors included cultural, social, personal and restaurant specific factors while intrinsic factors included motivation, perception and attitude of the

customers. It was further found that despite Indian food being in demand in Prague, restaurateurs faced many challenges in making their restaurants successful. In order to overcome these challenges, the restaurants try to introduce innovative recipes, adjust their recipes to customer tastes and preferences and serve a large variety of authentic regional Indian dishes.

6 Conclusion

6.1 Introduction to Chapter

This chapter determines whether research objectives of the study have been fulfilled by the secondary and primary research. Further, recommendations have been made to further enhance the success of independent Indian restaurants in Prague. Lastly, summary for the study and scope for future research have been presented briefly.

6.2 Conclusions

Objective 1: To determine the viability of specialty restaurants in Prague with special spotlight on Indian restaurants.

There has been noted a significant shift in the work culture and lifestyles of people living in Prague. People are more open to eating out in restaurants than before and there is huge demand for specialty restaurants offering different international cuisines. There has been noted a steep increase in the number of specialty restaurants in Prague offering international cuisines like Chinese, Japanese, Thai and Indian cuisine (Fiona Gaze 2012). Indian restaurants have been found to be viable during the primary research where about half of the customers indicated that they prefer Indian cuisine while dining out. The restaurateurs operating Indian restaurants in Prague also indicated that their Indian specialty restaurants were a success and quite popular and they enjoyed good regular clientele.

Objective 2: To critically analyze behavior of consumers by identifying varied intrinsic and extrinsic factors affecting their purchase behavior towards restaurants.

The customers indicated that there are various factors which affect their purchase behaviour towards restaurants. According to them, extrinsic factors included personal, social and cultural factors along with restaurant specific factors while intrinsic factors pertained to their perceptions, attitudes and motivations. The impacts of extrinsic and intrinsic factors on consumer purchase decisions in food and hospitality industry have been noted by many researchers (Reid 1983; Kotler et al. 1999; Spears 1995).

Objective 3: To scrutinize the current market for Indian Restaurants along with those operational in Prague

The restaurateurs interviewed indicated that there is more openness among people wherein Indian customers are more willing to try new innovative recipes and non-Indian customers are willing to try unfamiliar cuisines like that of Indian. Also, Indian cuisine offers a diverse regional variety and accommodates different flavours and spices attracting people to try it. The restaurateurs also stated that they ensure that customers are provided with superior quality food and service coupled with the right ambience at an affordable price that they are willing to shell out for the experience of dining out with friends and family. They stated that there is a good demand for Indian restaurants in Prague which is being catered to well by them.

6.3 Recommendations

The researcher has made the following recommendations keeping in mind the findings of the study:

It has been found that the customers perceive restaurant specific factors as important extrinsic factors. It may thus be recommended that restaurants keep making efforts towards better food presentation, better food and service quality, more comfortable and warm ambience and cleanliness in the restaurant so that customers do not face any issues with these respects and continue to visit the restaurants and promote them as well.

It has been found that the motivation of customers to have a good time with friends and family plays an important part in encouraging them to eat out in restaurants. Thus, it may be recommended that restaurants provide their customers with an environment wherein they are able to enjoy their time with the right combination of privacy, staff friendliness and fun experience so that customers are encouraged to visit time and again for similar experiences.

It was found that the perceptions of customers impacted their decisions. Thus, it may be recommended that their perceptions regarding organic food, different cuisines, new innovative recipes and food presentation are taken into due consideration before implementing any new strategies in the restaurant. This may be done by using responses to feedback forms filled by the customers.

6.4 Summary and Future Scope

The study may be summarized by stating that various factors impact the success of independent Indian restaurants in Prague and in order to be really successful, the restaurateurs must ensure that these extrinsic and intrinsic factors are duly considered.

Future research may include customers from restaurants serving other international cuisines so that their perceptions about Indian restaurants could be better understood and issues identified may be addressed for better success of Indian restaurants. Further, future studies may include other geographical locations like tourist spots in Europe or USA and facilitate a comparative analysis.

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Appendix

Quantitative Questionnaire

Section A: Demographic Profile

1. Age

- Below 18
- 18 to 25 years
- 26 to 35 years
- 36 to 45 years
- More than 45 years

2. Gender

- Male
- Female

3. Origin

- Local
- Tourist
- Expat

4. Educational qualification

- Elementary
- High school
- Bachelors
- Masters

5. Family status

- Single
- Married
- Divorced/separated

6. Do you have children?

- Yes
- No

7. Monthly income

- CZK 0 to CZK 10,000
- CZK 10,000 to CZK 30,000
- CZK 30,000 to CZK 50,000
- CZK 50,000 and above

Section B: General Background

8. How often do you go to restaurants?

- 2-3 times a week
- Once a week
- 2-3 times a month
- Once a month or lesser

9. Which restaurants do you prefer going to? (Tick in more than one options)

- Multi-cuisine
- Chinese
- Indian

- Thai
- Mexican
- Italian

10. Do you regularly visit a specific Indian restaurant?

- Yes
- No

11. How much do you spend on food out of home per week?

- CZK 0 to CZK 500
- CZK 501 to CZK 1000
- CZK 1001 to CZK 2000
- CZK 2001 to CZK 5000
- More than CZK 5000

12. What kind of food do you like to consume when you eat out?

- Fast food
- International cuisine
- Local cuisine
- Indian cuisine
- Organic food

13. How much do you spend during one visit to an Indian restaurant?

- CZK 0 to CZK 200
- CZK 201 to CZK 500
- CZK 501 to CZK 1000
- CZK 1001 to CZK 2000
- More than CZK 2000

14. What time do you generally go for eating out?

- Dinner time
- Lunch time
- Breakfast time

15. When do you prefer to go?

- Weekend
- Weekdays

16. What do you think about the pricing of Indian restaurants in Prague?

- Highly priced
- Moderately priced
- Low priced

17. How far are you willing to go to an Indian restaurant?

- 100 meters to 500 meters
- 500 meters to 2 kms
- 2 kms to 5 kms
- More than 5 kms

Section C: Factors influencing customer satisfaction

18. Which of these **extrinsic** factors apply to you with regards to your eating out patterns?

Rate the following statements on a scale of 1 to 5, where 1=Strongly agree, 2=Agree, 3=Neutral, 4=Disagree, 5=Strongly disagree

S.No.	Extrinsic factors	1	2	3	4	5
	Cultural factors					
1	Working couples					
2	Busy and changing lifestyles					
3	Convenience food preferred					
4	Ethnicity					
	Social factors					
1	Influence of friends and colleagues					
2	Need to socialise/pleasure of togetherness					
3	Influence of family members					
	Personal factors					
1	Increased disposable incomes/economic circumstances					
2	Higher living standards					
3	Increase in number of nuclear families					
4	Eating pleasure					

	Restaurant specific					
1	Food quality					
2	Food presentation					
3	Service quality					
4	Ambience					
5	Location					
6	Cleanliness					

19. Which of these **intrinsic** factors apply to you with regards to your eating out patterns?

Rate the following statements on a scale of 1 to 5, where 1=Strongly agree, 2=Agree, 3=Neutral, 4=Disagree, 5=Strongly disagree

S.No.	Intrinsic factors						
	Motivation						
1	Mood/state of mind						
2	Willingness to pay						
3	Willingness to enjoy with friends/family						
	Perception						
1	Inclination towards healthy/organic food						
2	Familiarity with cuisines						
3	Excellent presentation of food						
4	Adventure & novel recipes						
	Attitude						
1	Personal choice						
2	Lifestyle						
3	Past experience						

Any other comments

Thank you for your time

Qualitative Questionnaire

I. Demographic profile

1. Age _____
2. Gender _____
3. Since when are you operating your restaurant in Prague? _____
4. How many customers do you cater to per week? _____

II. Perception of success

5. What is your perception of a successful functioning of a restaurant in Prague? What according to you are the factors which ensure successful functioning?

6. How does your Indian restaurant of different ethnic origin sustain the competitive environment of a foreign country and cater to demands of its varied customers?

III. Strategies to achieve success

7. What strategies have you adopted to cater the rising and dynamic demands of the non-Indian customers, given their choice of tastes?

8. What strategies have you adopted to cater the rising and dynamic demands of the varied region based Indian customers? Does your organization serve food of specific region of India (like Rajasthani, Gujarati, Punjabi, etc.) or diverse regional cuisine choices?

9. Do you on behalf of your organization try to strategize the intrinsic and extrinsic factors which influence choices and satisfaction of customers?

10. Does your organization try to improvise the recipes with innovative approaches regularly, so as to bring adventure in fine dining and attract the customers as a result? If yes, how? If no, why?

IV. Challenges in achieving success

11. What challenges do you face in catering to non-Indian customers?

12. Do you face any challenges in serving specific regional Indian dishes? If yes, explain.

13. What other challenges do you face, in general (if any), regarding strategies or established competitors?

Any other comments

Thank You!

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