

Segmentation of Consumers as a Leading Factor in Restaurant Marketing



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Abstract Effective management of a restaurant enterprise operating at the competitive market requires conducting marketing activities at an appropriate level. However, the consumer behavior of consumers of restaurant services and its motives are heterogeneous. Therefore, effective management of a restaurant enterprise requires solving the problem of segmentation of the restaurant services market which determines the relevance of the research topic. Our paper shows that an important variable characterizing consumer behavior is the frequency of use of a restaurant service by this respondent, since it is this characteristic that determines the attractiveness of the respondent from the point of view of marketing efforts. We conducted a survey with consumers in order to learn their preferences in three restaurants in the middle price category in Yekaterinburg. In all the restaurants, a uniform way of conducting the research was agreed: questionnaires and pens were placed on the side of the tables, and the decision to take part in the study was made by the respondents themselves. The study resulted in 265 completed questionnaires. When developing a methodological approach to the segmentation of the restaurant services market, it was proposed to introduce into scientific use the concept of a special market segment. A special segment is a fairly large and stable segment of buyers (consumers) identified by the nature of the special purchase situation or the special purpose of making a purchase, to identify which a special (independent) research method or tool can be used, which reduces the scope of the main research and simplifies it. Our results show that the use of the developed composition of the segments of the restaurant market allows to specify the process of planning the effective marketing strategy of a restaurant business.

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1 Introduction

The priority tasks of the development of any economy (including the Russian economy) are its diversification and reduction in dependence on the export of commodities, ensuring GDP growth at the expense of non-primary sectors. In modern economies of developed countries, the service sector plays a very significant role but for Russia, it is a traditionally weak point (see Dyakov and Shatalova 2016; Romanova et al. 2017; Volchik et al. 2018). This leads to a number of negative consequences for the country's economy, in particular to meet the demand for services abroad, to reduce the tourist attractiveness of Russian regions (Ivanchenko and Perepelitsa 2016). Service enterprises often fall into the category of small enterprises; therefore, a lack of competence in the effective management of such enterprises leads not only to a decrease in the quality of customer service, but also negatively affects the development of the relevant small business sectors, which makes it impossible to use their full potential in terms of replenishing budgets different levels and the creation of new job (Akulitch 2002; Capon 2009; Ehrenberger et al. 2015; Moskalenko and Yevsieieva 2015; Astrauskaitė and Paškevičius 2018; or Białowas 2018).

One of the most significant sectors of the service sector is the sphere of public catering; quality restaurant service is one of the essential factors in organizing the leisure of the population (Marvin 1997; Novelli et al. 2006; Abrahám et al. 2015). Effective management of a restaurant enterprise in a competitive market requires the formulation of marketing activities at an appropriate level (Bamford 2008; Strielkowski 2018; Tulla et al. 2018). However, the consumer behavior of consumers of restaurant services and its motives is heterogeneous. Therefore, an effective management of a restaurant enterprise requires solving the problem of segmentation of the restaurant services market which determines the relevance of the research topic.

In modern conditions of aggravated competition, organizations providing restaurant services are forced to take a more careful and deliberate approach to marketing, the main purpose of which is the consumer (Momynova 2016). The tasks associated with market segmentation and selection of target segments form part of marketing activities, known as marketing planning (see Starovoytova and Chugunova 2016).

2 Research Methods

As an original empirical part of our research, a consumer survey was conducted in three restaurants in the middle price category in Yekaterinburg, with the owners of which it was possible to reach an agreement to conduct the survey. In all the restaurants, a uniform way of conducting the research was agreed: questionnaires and pens were placed on the side of the tables, and the decision to take part in the study was made by the respondents themselves.

As a result of the study, 265 completed questionnaires were received, 234 of which were deemed filled out correctly in the verification process before processing the data (filled out completely and do not contain information clearly contradictory to common sense—which happens, e.g., when filling in a questionnaire with drunk visitors). In the case of significant internal contradictions, the questionnaires were also rejected, since the purpose of this study is precisely to identify identifiable relatively homogeneous segments—persons whose consumer behavior patterns are well established and who are able to tell about this consumer behavior. However, since some visitors view the research process as entertainment and give answers lightly, the percentage of rejected questionnaires turned out to be significant.

In accordance with the research plan, individual interviews were conducted with 7 industry experts, representatives of the restaurant industry. The interviews discussed the interpretation of clustering results based on the practical experience of industry experts. Segmentation bases and special segments were also identified, which, according to industry experts, could complement the results of cluster analysis in terms of identifying segments that are important in terms of making marketing decisions.

3 Results and Discussion

When developing our research tools, the need to limit the total number of questions had to be taken into account in order to avoid fatigue of respondents. Considering the fact that one and the same consumer, depending on the situation of using the restaurant service, can simultaneously refer to the “special” segment and visit restaurants in other situations, the questions (instructions) for the respondent should be formulated in such a way that when answering them, the respondent did not take into account situations when he acts as a representative of one of the “special” segments.

The most important variable characterizing consumer behavior is the frequency of use of a restaurant service by this respondent, since it is this characteristic that determines the respondent’s attractiveness in terms of marketing efforts. The interpretation of the results of cluster analysis in conjunction with industry experts made it possible to identify the following segments and groups of segments:

First of all, at the top level of the hierarchy, we can distinguish two largest segments—“active” and “inactive” users, the main classification feature of which is the frequency of restaurant visits (“active,” judging by their answers, go to the restaurant at least 1–2 times per month). They also believe that they “have a good understanding of restaurants” and, in general, are prepared to spend more than inactive ones. They are also generally characterized by more clearly established patterns of consumer behavior, which is manifested, for example, in clearer answers regarding the usual goals of going to a restaurant and the situations of consumption of a restaurant service.

The “active” segment, in turn, was divided into two smaller segments, very active “restaurant lovers” and a heterogeneous group of “medium-active” consumers.

“Restaurant lovers” are a relatively homogeneous group of wealthy people who often use restaurants in connection with a variety of situations and motives—from business meetings to finding new gastronomic sensations. They can afford to go to different restaurants and order expensive dishes.

“Restaurant lovers” were divided into two groups: “frequent visitors,” the characteristics of which generally correspond to “restaurant lovers,” and a special group “eat at a restaurant”—it mainly includes wealthy middle-aged and older men who not only actively use restaurants for recreation—they use them as a substitute for food prepared at home, in other words, can afford to just eat in restaurants. Note that this does not mean that these people do not eat at home, but at least sometimes they are characterized by a special situation of using a restaurant service—as a simple substitute for homemade food.

The cluster of consumers “with medium activity” turned out to be more heterogeneous. In particular, it includes the following segments:

- “Gourmets.” Going to a restaurant in not very large groups (often together) to try something new; lovers of new gastronomic sensations. Not as financially secure as active users.
- “Inexpensive to sit.” One of the largest segments in the consensual opinion of industry experts surveyed during the survey. These are people who consider restaurants primarily as an opportunity to socialize in a pleasant atmosphere, and only then as an opportunity to enjoy gastronomic sensations. They often order not a full dinner, but 1–2 dishes, and they do not want to eat a satisfying meal. Often these are friends and, especially, girlfriends, or—couples who came first of all to talk and spend time, but not to eat. As a rule, persons with an average (low) level of income, of various ages.
- “On business.” A relatively narrow segment of consumers, who use restaurants mainly in connection with working needs, for example, for business meetings. Note that “frequent visitors” also use restaurants, including in connection with work, but for them this is not the dominant situation of use.
- “Rest without saving.” People with different income levels, visiting restaurants are not very often, but regularly and not seeking to save. According to industry experts, this segment can be further classified into two, depending on income level:
 - “Rest without savings—prosperous”—persons with medium and high income levels who, for one reason or another, go to a restaurant not very often; many of them are simply economical enough and could afford more frequent visits.
 - “Rest without savings—living beyond their means”—mostly young men, not well-off, but seeking to give the impression of those. Interviewed experts are convinced of the existence of this segment and suggest that during the survey, its representatives overestimate their income. For this reason, a segment may be “not visible” during clustering.
- “Lovers of drinking.” Also, here we have a rather narrow segment of people who like to drink alcohol in restaurants. Note that the polls were conducted in “non-catered” fairly respectable restaurants; therefore, one should not confuse the

Table 1 Distribution of respondents by segments (rounded up to percent)

No.	Name	Share of the answers (%)
1	Frequent visitors	5
2	Eat at a restaurant	9
3	Gourmets	12
4	Inexpensive to sit	22
5	On business	4
6	Rest without saving	9
7	Lovers to drink	6
8	Favorite dish	3
9	Rare luxury	9
10	Random	9
11	Non-system responses	7
12	No answer	5

Source Own results

“drinkers” segment selected in this study with the regulars of pubs, pubs, etc. In this case, these are mostly middle-aged and older men, who are fairly well-off, resting with friends.

Above, the segments included in the “active” segment group were considered (Table 1). Another cluster group identified as a result of clustering was called “inactive,” which reflects the low frequency of restaurant visits by representatives of this group. Within this group, we managed to distinguish the following segments:

- “Favorite dish.” A small segment with an interesting model of consumer behavior, mostly women with low and medium incomes, who occasionally go to the same restaurant, retaining loyalty not only to the restaurant, but also to the particular dish served there. Do not order a full meal. They go to a restaurant in company with someone, not alone.
- “Rare luxury.” Representatives of this segment—people with medium and low incomes, consider restaurants as an opportunity to have a good time from time to time; however, they are generally more selective in their spending than the “rest without savings” segment.
- “Random.” Strictly speaking, it cannot be called a market segment in the sense in which it was considered in the research literature. This group is characterized by rare visits to restaurants and unformed, difficult to interpret preferences, but their questionnaires were not rejected during preliminary data processing due to the absence of obvious internal contradictions.
- “Non-system responses.” Difficult to interpret clusters formed by respondents who are not necessarily rarely visiting restaurants, but have provided insufficiently consistent answers (e.g., due to carelessness or unwillingness to cooperate) (Table 1).

Attention is drawn to a significant proportion of the “inexpensively sit up” segment. It should be noted that this segment is the least profitable—its representatives

Table 2 Segments of the restaurant market, identified by expertise

Base or segmentation variable	Identified segments
According to the situation of use	Banquets (including holidays, corporate parties, weddings, etc.)
	Business lunches (lunch break), breakfasts
	Breakfast
	Sports broadcasts
	Drinking beer
	Romantic evening
	Family trip (with children)
	Meeting with friends (girlfriends)
	Impulse buying (customers “out of human flow”)
	Live music/entertainment
By type of cuisine	Lovers of “understandable” (familiar) food
	Japanese food lovers (sushi)
	Lovers of other ethnic cuisines (by type of cuisine)
By belonging to a social group	Sustainable elite social groups
	Sustainable social groups, interest groups
By geography	Walking market (local market)
	Market short trip (difficult to walk, but you can quickly get to or drive on the road)
	Remote market (it takes a long time to get to the restaurant)
By the type of information search	Active users using the Internet to search for restaurants/offers

Source Own results

use restaurants “not quite according to their intended purpose,” occupy landing places during periods of high loading of the hall and do not bring substantial profit. Restaurants need to pay attention to the number of this segment in their clientele (this is easy to do, e.g., on a cash register and on sales statistics). This segment may require “demarketing” activities, for example, by eliminating the possibility of purchasing beverages at a reasonable price for small orders.

The opposite of them are such segments as “frequent visitors,” and, especially, “eat in a restaurant.” You can recommend a thorough study of loyalty programs and relationship marketing for these segments. However, as practical experience shows, these programs, as a rule, are at best limited to discount cards.

Further (Table 2) we will present the segments identified by expert means—which were obtained in the course of interviews with industry experts (and which are “special” segments in terms of the method of their identification—the expert survey).

Industry experts were able to name a fairly large number of segments allocated to various segmentation bases. Together with the segments obtained as a result of

the analysis of primary data, the extensive list obtained can be used by restaurant enterprises as the basis for the formation of its marketing policy.

When developing a methodological approach to the segmentation of the restaurant services market, it was proposed to introduce into scientific use the concept of a special market segment. *A special segment is a fairly large and stable segment of buyers (consumers) identified by the nature of the special purchase situation or the special purpose of making a purchase, to identify which a special (independent) research method or tool can be used, which reduces the scope of the main research and simplifies it.*

The use of the developed composition of the segments of the restaurant market allows you to specify the process of planning the marketing of a restaurant enterprise. Obvious is the use of the developed set of segments for the purposes of marketing policy targeting—that is, for the selection of target segments.

However, the possibility of applying the results of the segmentation of the restaurant services market is not limited to the task of targeting; other opportunities are due, in particular, the characteristics of restaurant management. The organizational structure and management of restaurant enterprises (especially non-chain) is characterized by the so-called product orientation (see Kotler 2009): restaurant management concentrates its management efforts on creating a quality product, a permanent marketing function may not exist as such, a plan there is no marketing.

Another feature of the restaurant services market is its locality, which is especially characteristic of restaurants in the middle price category: a restaurant largely depends on the local environment, often on the specifics of objects located in close proximity (walking distance) to it.

Under these conditions, the proposed composition of the restaurant services market segments can be used for marketing research of the market in which the restaurant operates—by comparing the corresponding segments and objects of the local market.

Next, we proceed directly to the task of improving the marketing planning process of a restaurant enterprise, which will take into account both the peculiarities of such enterprises and assume the application of the results of this study in the field of market segmentation.

It should be noted that when developing an appropriate approach, we will primarily focus on the use of appropriate guidelines in non-chain restaurants of the middle price category, which can be attributed, as a rule, to small business, given the higher relevance of the latter in terms of its socioeconomic value. In addition, it is precisely small enterprises that are more likely to experience difficulties in terms of financing the ongoing marketing function, and therefore need more detailed recommendations.

When developing a marketing plan (marketing planning process), it is necessary to take into account some features of marketing in a restaurant enterprise, which for convenience are presented in tabular form (see Table 3).

One of the most significant features of a restaurant enterprise in terms of the conditions for carrying out marketing activities is the limitation of the number of seats. That is, the volume of restaurant services that this or that institution can offer to the market is physically limited by the size of its hall. The “duplication” segment

Table 3 Features of the marketing environment in the restaurant company

Marketing of consumer goods in traditional conditions	Marketing environment in the restaurant company
Relatively flexible production capacity, the possibility of increasing through contract manufacturing, the possibility of expanding the sales network	The number of seats is limited by the available area of the hall For a non-chain restaurant, with a concept unique to the city (“atmosphere”), expansion may be virtually impossible Even if expansion is possible, it is usually associated with a high risk of choosing a location
The product is used by customers, usually independently of each other The use of the product by some users, as a rule, has little effect on its use by others	The use of the product by some customers affects the perception of the product by others <ul style="list-style-type: none"> – total load of the hall – the appearance of the guests – guest behavior
Increasing customer base is usually accompanied by improved sales performance	The sales volume depends on the actually served segments of the restaurant Representatives of unattractive market segments (for example, “inexpensively sit”) occupy seats that could be occupied by representatives of more profitable segments

Source Own results

of the restaurant concept, its transformation into a chain restaurant, is possible only in some situations and is rather the exception.

Another feature of the restaurant is that representatives of all segments use the restaurant service at the same time. Thus, the behavior of representatives of some segments affects the perception of the characteristics of the restaurant service by other customers.

The third peculiarity is connected with the segment labeled “inexpensively to sit” revealed during the empirical research whose representatives use the restaurant not quite for its intended purpose. For example, this can be observed in a cafe or a tea room. These visitors occupy space, create discomfort due to overcrowding in the hall, but do not bring substantial revenue.

Marketing in a limited number of seats requires a special emphasis on ensuring satisfaction of the most attractive segments the restaurants can offer. Furthermore, a feature of the target installations is the assessment of the need for demarketing of unattractive segments—for example, for an expensive restaurant, you can include the segments “drinkers” and “inexpensively sit.”

4 Conclusions

Thus, it appears that our results and outcomes that present the proposed composition of the restaurant services market segments can be used to solve problems that tackle the leading issues in the restaurant business.

First of all, our findings allow to broaden the marketing research of the market in which the restaurant operates which is advisable given the need to use low-cost marketing research methods by restaurant enterprises.

Second, our results can be very useful and helpful for problems of identification of actually served market segments at the stage of situational analysis—in case the marketing activity in a restaurant enterprise is not put on a fairly systematic basis. In addition, our outcomes can be used directly for the tasks of targeting and the subsequent development of the restaurant's marketing policy by the restaurant managers and owners as well as by the marketing specialists.

All in all, it becomes quite obvious that our results and findings might effectively assist marketing specialists and restaurateurs in their endeavor to increase the effectiveness of marketing activities of restaurant enterprises by reducing marketing costs.

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