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Restaurant Revenue Management: Examining Reservation Policy Implications at Fine Dining Restaurants

Nanishka Hernandez
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Walden University

College of Management and Technology

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Nanishka Hernandez

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Walden University
2015

Abstract

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by

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MBA, American Intercontinental University, 2005

BBA, American Intercontinental University, 2004

AA, Universidad del Sagrado Corazón, 1990

Doctoral Study Submitted in Partial Fulfillment

of the Requirements for the Degree of

Doctor of Business Administration

Walden University

August 2015

Abstract

In the restaurant industry, some patrons do not honor their reservations, especially on holidays. Grounded in postpositivism and system theories, the purpose of this comparative study was to examine the impact of implementing a credit card payment policy for fine dining restaurants reservations and no shows after implementation of a credit card guarantee policy at a high-end hotel located in the southeast United States. Data were collected from archival records provided by the hotel executives. According to the results of a *Wilcoxon Signed Rank* test, there was a statistically significant decrease in the number of no shows, $p < .001$, after the implementation of the credit card guarantee policy. In a paired sample *t*-test, there was a statistically significant decrease in the number of reservations, $p < .001$, after implementation of the credit card guarantee policy. The implications for positive social change include the potential to increase understanding of payment policies as they relate to the restaurant industry. Service industry managers can benefit from implementing payment policies that can vary from specific dates, seasons, and type of services. Customers will also benefit by being able to make reservations not originally possible due to demand. The current study adds to service industry knowledge, increasing the understanding of payment policies as they relate to restaurant industry. Conducting a similar study in other service industries in the future may lead to a better understanding of the nature of policies and customers' traits and behaviors.

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Dedication

I dedicate my doctoral study to my family, to my wonderful sons Zleymen and Ztidor and their father Ernesto. Zleymen for giving me the courage to embark in this journey, and my son Ztidor and his family, Iris and Ztidor Jr., for being loving and supportive. Thanks Mom and Dad for your guidance in life and for your prayers. Special thanks to my stepmom, Opal, for the sleepless nights and multiple works' reviews. To my sister Sheralish for taking care of me and the house while I was dedicating all my time to study. To Paul for all the times he heard me practicing my oral presentations. Without all of you, I am lost, with all of you I feel loved...and I love you all! THANKS!

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Section 1: Foundation of the Study

Revenue management (RM), also known as yield management (YM), is the application of information systems and pricing strategies for managing capacity profitably (Kimes, 2004). Researchers have addressed the airline and resort revenue management but have not examined revenue management in the restaurant industry (Kimes, 2004). In this study, I explored the impact of changing the restaurant policy from no payment required to credit card guarantee. Analyzing data for consumer patterns and obtaining customer feedback are marketing tools that leaders of organizations exercise to develop a RM strategy.

Background of the Problem

To develop a restaurant revenue management (RRM) strategy, leaders should (a) establish the baseline of performance, (b) understand performance drivers, (c) develop a revenue management strategy, (d) implement the strategy, and (e) monitor the strategy's outcome (Alexander, Barrash, & Kimes, 1999). Several authors (Alexander et al., 1999; Kimes, Chase, Choi, Lee, & Ngonzi, 1998) have discussed the role of RRM to maximize revenue per seat hour by manipulating price and meal duration. The investigation of RRM continues because leaders of Fortune 500 companies are invested in the implementation of RM technology. Incorporating deterministic and stochastic mathematical programming models to deliver optimal recommendations is an innovative and effective way to manage a reservation system (Chen & Homem-de-Mello, 2010; El Gayar et al., 2011; Guadix, Cortes, Onieva, & Munuzuri, 2010).

After implementation of RM technologies, analysis should include the customers' perceptions of the new experience and return on investment (ROI) for the new solution. The customers' perception of the experience begins with making a reservation, includes the time of initial engagement with the restaurant, and continues through the dining experience and exiting the restaurant. Researchers claimed that customer-perceived fairness is a measure of RM acceptance (Noone, Kimes, Mattila, & Wirtz, 2009; Taylor & Kimes, 2011). Customers' understanding of RM practices affects restaurant revenue and may differ if the customer experiences dissatisfaction, not only at the restaurant but also when making a reservation (Noone et al., 2009; Noone, Wirtz, & Kimes, 2012). In addition, revenue managers should provide more information about pricing practices for customers to have a better understanding of dynamic pricing (Taylor & Kimes, 2010). A better understanding of the ramifications of implementing a credit card-guaranteed and a prepaid policy for fine dining restaurant reservations is necessary to estimate the profitability impact of the potential loss of revenue. The implementation of a credit card guarantee policy in phases, starting with fine dining restaurants, could help evaluate the outcome of the RM strategy. The implementation of the policy in phases allows revenue managers to learn from earlier phases and complete the implementation of the credit card reservation policy for all types of restaurants, including all table service-style restaurants.

Problem Statement

The restaurant industry experienced up to 30% of table service restaurant patrons not honoring reservations, or no shows (Cross, 2011), and up to 40% of no shows occurred on holidays (Alexandrov & Lariviere, 2012). A no show is a person who made a

reservation and neither uses nor cancels the reservation (Oh & Su, 2012). At exclusive table service restaurants, like fine dining, this represented approximately \$250,000 a year in lost revenue (Clark, 2012). The general business problem was the significant loss of sales revenue resulting from customers not honoring restaurant reservations. The significant loss caused problems for restaurants and resulted in business closures. Therefore, a better understanding of the ramifications of implementing a credit card guarantee policy for restaurant reservations was necessary to assess the potential cannibalization effects on restaurant selection. The specific business problem was that some hotel executives did not know the impact of implementing a credit card payment policy for fine dining restaurants on no shows and reservations.

Purpose Statement

The purpose of this quantitative comparative study was to examine the impact of implementing a credit card payment policy for fine dining restaurants on no shows and reservations. The independent variable was time with two levels, Time 1, before the credit card policy implementation, and Time 2, after credit card implementation policy. The dependent variables were the Time 2 reservation and no show scores. The focus was on the difference in the number of daily reservations made and/or the number of no shows, for the third quarter of Fiscal Years 2011 and 2012, based on the implementation of a credit card guarantee policy in six fine dining restaurants located in high-end hotel properties in the southeast United States.

The expectation was to determine if payment policies for fine dining restaurant reservations reduced no shows and if the requirement of credit card guarantees changed the number of reservations made in advance. The results of this study may or may not have applied to all types of restaurants, like casual dining or family dining, in all locations as patrons may have similar reactions to payment policies regardless of location. The results benefited restaurant management decisions regarding reservations and payment policies. The results assisted RRM in the development of new approaches to obtain additional reservations by offering other incentives for reserving tables in advance. Because demand is predictable, other industry leaders, like recreation and tours, may apply the same concepts to other service industries resulting in increases to their businesses and potentially increase profits and help in retaining current employees and/or hiring new employees who contribute to the local communities.

Nature of the Study

The objective of the quantitative comparative study (Williams, 2011) was to determine the impact of no shows and payment requirements at six fine dining restaurants located within high-end hotel properties in the southeast United States. The quantitative comparative approach was appropriate in this study because the historical data of before and after reservation policy change implementation was available for testing after the required approval. A qualitative or a mixed method study was not feasible in this case as a number of no shows for comparing the number of reservations made before and after implementation was a quantitative measurement rather than qualitative (Trochim, 2006). In addition, while a mixed-method approach may have assisted with understanding why

the new reservation policy changed customer behavior, for purposes of this study, only an examination of the size of the effect on the number of reservation and the number of no shows was in question.

Experimental design and quasi-experimental designs were not feasible in this case. Examining causal relationships and randomized assignments in either a control group or a treatment group is required in an experimental design (Trochim, 2006), and a quasi-experimental design lacks random assignment to a treatment or a control group (Williams, 2011). In this case, the intention was not to address causal relationships that may be determined by the reasons for cancellations or no shows. Thus, the intent was to measure and compare the number of reservations and no shows made before and after the credit card guarantee policy implementation to determine if there was sufficient evidence that a significant change occurred.

Research Question

Knowledge of customers' perceptions of payment policies was necessary to maintain customer satisfaction, loyalty, and long-term profitability (Kimes, 2011a). There was no information available from the business leaders' perceptions, only from the customers' perceptions. Examining the restaurant reservations data could determine if the practice of implementing payment policies was beneficial for restaurants' revenues or not. Calculating the number of reservations made before the policy change against the number of reservations made after the policy change assisted in determining if there was any difference before and after the policy change. In addition, calculating the number of reservations showed versus no showed assisted in determining the number of no shows

before and after the policy change. The historical data included the third quarter of Fiscal Year 2011 and the same quarter of Fiscal Year 2012. The principal research question included the following:

1. Is there a significant difference in the number of reservations made and/or the number of no shows for the time periods of the third quarter of Fiscal Year 2011 and 2012 before and after changing the reservation policy for a company's six fine dining restaurants in the southeast United States?

I investigated six fine dining restaurants, located within high-end hotel properties in the southeast of the United States, for the purpose of this study. The October 2011 time periods were from before and after the policy implementation date. The specific derivative research questions for this quantitative comparative study were

1. What, if any, differences existed in the number of no shows before and after requiring patrons to guarantee their reservations via their credit cards at six fine dining restaurants?
2. What, if any, differences existed in the numbers of reservations made at six fine dining restaurants per similar time periods?

Hypotheses

I used a quantitative comparative design to conduct a dependent samples *t*-test analysis. This analysis was suitable for finding if there was a statistically significant difference in number of reservations and no shows made before and after implementing a credit card guarantee policy in six fine dining restaurants located within high-end hotel properties in the southeast United States for the purpose of this study. The *t* test was

appropriate to verify if there was a significance difference among restaurants before and after implementation. The comparative design was appropriate because analyzing the data for similarities or differences of predictable demand and determining the effect of a policy change could prove to be helpful in a controlled field study using comparison (Trochim, 2006). I tested the following hypotheses:

$H1_0$: There is no statistically significant difference in the number of no shows made per day among the six fine dining restaurants for the third quarter of Fiscal Years 2011 and 2012.

$H1_a$: There is a statistically significant difference in the number of no shows made per day among the six fine dining restaurants for the third quarter of Fiscal Years 2011 and 2012.

$H2_0$: There is no statistically significant difference in the number of reservations made per day among the six fine dining restaurants for the third quarter of Fiscal Years 2011 and 2012.

$H2_a$: There is a statistically significant difference in the number of reservations made per day among the six fine dining restaurants for the third quarter of Fiscal Years 2011 and 2012.

Theoretical Framework

A positivist view maintains trust in empiricism. However, a true experimenter attempts to distinguish natural laws through direct manipulation and observation, and a postpositivist represents the thinking after positivism (Trochim, 2006). Systems theory assists strategists in the collection of data and in the development and improvement of

processes. Process design and improvement can be difficult because they require a high level and cross-departmental view of the company's operation. Seeing the picture as a whole helps develop the company's future goals and core competencies. The more information a researcher can collect, the more understanding business leaders will gain, detecting patterns that may present limitations or opportunities for decision-making.

The percentage of table service restaurant patrons not honoring reservations has increased up to 30% (Cross, 2011), and up to 40% of no shows occurred on holidays (Alexandrov & Lariviere, 2012). Therefore, restaurant leaders use RM principles, also known as YM, to maximize revenue. The definition of RM is selling the right seat to a customer at the right time and price (Thompson, 2011). RM practitioners use tools such as historical information, demand forecasting, and pricing and availability to ensure the maximization of the restaurant's capacity (Anderson & Xie, 2012).

The restaurant industry experienced up to 30% of table service restaurant patrons not honoring reservations or *no shows* (Cross, 2011), and up to 40% of no shows occurred on holidays (Alexandrov & Lariviere, 2012). Several researchers have discussed perceived fairness and customer satisfaction related to RM (Heo & Lee, 2011; Taylor & Kimes, 2011a) to make informed decisions to improve customer satisfaction. However, few researchers have investigated how customers perceive RM policies in the restaurant industry (Kimes, 2011a) and how the implementation of payment policies may affect reservations for restaurants. The understanding of these theories, and the policy impact, was imperative because customers who are knowledgeable about the payment policies have a propensity to consider the policy as acceptable and fair (Kimes, 2011a).

A researcher with a postpositivist view (Trochim, 2006) may seek to understand the effect of reservation payment policies, specifically if the implementation of credit card guarantee policy will reduce the number of patrons making reservations and if the percentage of no shows will decrease. Postpositivism theorists emphasize the importance of multiple measures and observations; therefore, in this study a dependent samples *t* test was necessary to determine the findings, conclusions, and recommendations.

Operational Definitions

Fine dining: Upscale dining full service restaurants with specific dedicated meal courses and table service (Noone et al., 2012).

No shows: A person who makes a reservation and neither uses or cancels the reservation (Oh & Su, 2012).

Revenue management: An approach to optimize their revenue stream (Guo, Xiao, & Li, 2012).

Table/Full service restaurant: Food service served to the customers' table (Parsa, Gregory, Self, & Dutta, 2012).

Yield management: The practice of frequently adjusting the price of a product in response to various market factors as demand or competition (Thompson, 2010).

Assumptions, Limitations, and Delimitations

Assumptions

The assumption was that the number of reservations and the resulting no shows made before and after the policy implementation existed and was valid from the third quarter of Fiscal Year 2011 and that 2012 would yield researchable results. Consumers

consider the payment requirement policy as acceptable and fair (Kimes, 2011a).

However, it should be determined if there is a statistically significant difference in the number of reservations and no shows made in fine dining reservations due to payment requirements.

Limitations

Findings were limited to six fine dining table service restaurants located within high-end hotel properties in the southeast United States. It would be beneficial to conduct the same study in other geographical areas, like the southwestern United States, to determine if the policy implementation may be affected by geographical areas, consumers' income, or restaurant type (i.e., fine dining versus family style).

Delimitations

I limited the research to high-end hotel properties and fine dining restaurants in the southeast United States. It may be helpful to conduct the study in more geographical areas and other types of service industries. In addition, the study only included a credit card-guaranteed policy and not prepaid restaurant reservations.

Significance of the Study

A better understanding of the ramifications of implementing a credit card-guaranteed policy for fine dining restaurant reservations was necessary to quantify the profitability impact to restaurants in the southeast United States. In addition, there must be an assessment of the cannibalization effects on restaurant selection. The restaurants' criteria include a population of 120,000 reservations for six fine dining restaurants with elaborate menus and an extensive wine list that require a credit card payment when

making a dining reservation. The six fine dining restaurants' data were available to determine if there was a statistically significant difference in the number of reservations and no show reservations made before and after the implementation of the credit card-guaranteed policy. This analysis allowed for the application of the findings from earlier implementation phases to later implementation phases and completion of the plan, which may include the future study of potential implementation of several types of payment policies, such as deposit and prepayment.

Contribution to Business Practice

Reservation policies and processes enable restaurants' managers to select the most profitable combination of customers (Kimes, 2011a). Understanding the managing of restaurant reservations and implementing new and innovative strategies (Enz, Verma, Walsh, Kimes, & Siguaw, 2010a; Enz, Verma, Walsh, Kimes, & Siguaw, 2010b; Kimes, Enz, Siguaw, Verma, & Walsh, 2010; Siguaw, Enz, Kimes, Verma, & Walsh, 2009) may assist restaurant owners in managing their capacity to maximize revenue more effectively. To understand better the business impact, the examination of the potential effects of the credit card-guaranteed policy on expected revenue under current versus new policies was necessary. In addition, the revenue manager would be able to build a model for estimating expected revenues with and without the policy change.

Implications for Social Change

A quantitative approach helped me to examine the business impact of the change in reservation policy to the six fine dining restaurants. The dependent variable data were the number of reservations and the number of no shows made for fine dining table service

restaurants, for the third quarter of Fiscal Year 2011 and 2012, based on the policy implementation date. Researching if reservation patterns have changed after the implementation of payment policies, and determining if there was a difference between the number of reservations and the number of no shows made, were some of the expected results.

RM, operations managers, and other service industries managers may benefit from the project. Operations managers may be able to obtain better inventory control and reduce variable costs, such as labor and food expenses. RMs can predict demand in restaurants with accuracy; therefore, a potential for revenue increase. In addition, RMs may have a better understanding of the restaurant capacity per hour, providing an opportunity to offer additional inventory to the customers to eat at certain times and even offer dynamic pricing based on operating hours. Therefore, the patrons may benefit from additional availability to make reservations. Employees may also benefit from gratuity and the possibility of extended hours. Other service industry managers, such as recreation and tours managers, may apply the same policy to their products and have the same benefits.

A Review of the Professional and Academic Literature

The following literature review is a discussion of RM pertaining to various service industries, such as airlines, hotels, and restaurants. This review is an overview, meaning, and history of RM. Eighty-five percent of the journals were peer-reviewed from various service industries that were published from 2010 to 2014, providing a framework for the study. The review has three principal themes, RM, RRM, and RM

policies. A search for RM, hotel industry, airline industry, and restaurant industry peer-reviewed sources assisted in identifying and comprehending the effects of reservations payment policies, specifically, in the restaurant industry.

Revenue Management

RM, also known as YM, is the application of information systems and pricing strategies for managing capacity profitably (Kimes, 2004). The tool has become strategically useful for service industries to manage capacity efficiently (Akçay, Balakrishnan, & Xu, 2010). Researchers have addressed the airline and resort revenue management, but have given little attention to the restaurant industry (Kimes, 2004).

RM began in the 1970s in the airline industry (Haensel, Mederer, & Schmidt, 2012). The RM theory is now included in other service industries, such as hotels, cars, golf courses, casinos, spas, and restaurants. Anderson and Xie (2010) claimed that the evolution, adaptation, and application of RM principles were used in the tourism industry ever since the mid-1980s. Researchers started using RM and venturing into other service industries, not limiting the strategy to the airline industry only. Anderson and Xie (2010) presented the benefits of RM systems for the successful implementation of the strategies. According to Kimes, RM connects to any service industry environment (as cited in Anderson & Xie, 2010).

These findings by Anderson and Xie's (2010) demonstrated not only that the RM principles are applicable to the airline industry, but to the service industry. Meaning that we are able to apply the RM principles and integrate the concept to RRM. RM is not a standalone tactic; now, it is a part of technology and management support. RM goes

beyond airline, or rooms; it is also applicable to other types of services and to other attributes, such as pricing, even the interaction of room sales and food and beverage sales (Cross, Higbie, & Cross, 2011).

Several researchers have pointed out that the RM concept may vary depending on the service industry type (Kimes, 2011b; Padhi & Aggarwal, 2011). Furthermore, Harrington and Ottenbacher (2011) argued that the term hospitality is a broad term or a concept made up of a varied cluster of industries. The possibility of applying the RM concept to other types of service operations is feasible (Kimes, 2004; Kimes et al., 1998), the resort industry (Brey, 2010), theme parks (Milman, 2010), spa services (Kimes & Singh, 2009), the rental car industry (Haensel et al., 2012), the cruise line industry (Xiaodong, Gauri, & Webster, 2011), and the golf industry (Licata & Tiger, 2010; Rasekh & Li, 2011), among others. Food quality, value, and variety are influential factors in overall park evaluations (Geissler & Rucks, 2011).

An increase in companies' profitability resulted from applying RM principles mainly in the airline and hotel industries and other service industries (Anderson & Xie, 2010; Kimes, 2011b). Jacobs, Ratliff, and Smith (2010) discussed pricing, RM controls, and capacity and potential profits in an airline. The comprehension of the relationship between pricing, capacity, and profit makes it possible for the airline to manage their seat inventory by adjusting pricing structures and scheduling airplane capacity (Huang & Chang, 2011).

Kimes and Anderson (2010) identified the RM stages as goal setting, collection of data and information, data analysis, forecasting, decision making, implementation, and

monitoring. El Gayar et al. (2011) offered an integrated framework for hotel revenue room maximization. The proposed model included optimization and forecasted demand techniques to address group reservations, including parameters like reservations, cancellations, length of stay, no shows, seasonality, and trend. The model is also able to generate effective recommendations to maximize revenue. Wang (2012) determined that RM practices have reduced relationship stability and trust among hotels and their key customers due to unforeseen contract rate increases or restrictions, blocked room availability during high-demand periods, and lower rates available through alternate distribution channels.

The same optimization concept was the subject of Anderson and Xie's (2010) research on room-risk management. In an effort to determine the complexities of reselling hotel rooms as a vacation bundle, Anderson and Xie approached the issue of minimizing the impact of no used rooms, investigating what this meant for tour operators when managing contracted block rooms. Anderson and Xie found tour operators should manage two types of contracts in the case of not selling the rooms and another for prepaid rooms.

Haensel and Koole (2011) studied the demand forecast accuracy, forecasting the accumulated booking curve and the number of reservations expected in the booking horizon. To minimize the problem, the researchers applied singular value decomposition to historical booking and made adjustments to the projection of the residual of the booking horizon (Haensel & Koole, 2011). The procedure included the consideration of

the relationship and dynamics of booking within the booking horizon and between product cases.

Liu (2012) provided a description of a new hotel reservation pricing approach and described a hotel reservation optimizer tool used at Cornell. Liu stressed the necessity of the tool in determining a value for a room reservation. Establishing a price for a room reservation is the basis on the expectation of room occupancy. The tool assists management in determining the probability for the room selling offer based on accurate information about future room demand.

Padhi and Aggarwal (2011) developed a forecasting model using profit records of hotel commodities classified into revenue raising and revenue reducing. The researchers also identified short-term and long-term goals for fixing quota and RM demand (Padhi & Aggarwal, 2011). Padhi and Aggarwal formulated a comparison between revenue generated from the proposed revenue maximization model and the existing price and quota model.

Whitfield and Duffy (2013) evaluated the importance of revenue forecasting for tracking business performance and decision making, providing a reference point for revenue forecasting in a complex service business and providing opportunities for other service industries to understand and develop their own tools. Witfield and Duffy's findings are important because revenue forecasting assists in tracking business performance and supports the decision making process. In the case of RRM, it could mean labor scheduling and restaurant food expenses.

Restaurant managers could plan for service using a capacity planning strategy. Boyaci and Özer (2010) studied a profit-maximization model, determining consumer demand by focusing on the set capacity and price sensitivity. Advance selling could increase profit significantly, identifying the most advantageous conditions for capacity planning and determining the benefits of obtaining capacity information and RM of installed capacity through dynamic pricing (Anderson & Xie, 2012; Boyaci & Özer, 2010; Pullman & Rogers, 2010). Nasiry and Popescu (2012) also discussed the effect of advance selling on both anticipated and action regret with relation to customers' decisions and company's profits and policies. Regret represents two types of actions: delayed purchase and buying early at a higher price. This has a dual action for both customers and firms; for the customer it means that they may miss a discount or face a stock out if they do not act. Conversely, if the customers make the purchase in advance, they miss out if a lower price becomes available. In the case of the firm, action regret reduces profits as well as the value of advance selling and booking limit policies, but neglect causes the opposite.

Regret anticipation by customers is an important fact to consider when implementing policies. Nasiry and Popescu (2012) found that marketing campaigns offering refunds or options to allow reselling could lessen the negative effects of regret on profits. The researchers highlighted the importance of assessing regret across market segments and accounting for these factors in pricing and marketing policies (Nasiry & Popescu, 2012). Hwang, Gao, and Jang (2010) indicated that using marketing and an operation approach could help avoid service quality and cost issues. Both marketing and

operations perspectives should be considered in capacity planning decisions for the service industry. Zhang and Bell (2010) discussed market segment using a fencing tool to restrict the migration of customers across market segments. There is always the potential of demand leakage from high to low-priced market segments. Zhang and Bell laid out the theoretical foundation, included the assumption of an imperfect fence, and presented a demand leakage model among different restaurant market segments. Investigating pricing and inventory decisions, along with the effect of fences on companies, determines the ultimate cost of fencing.

RM maximizes the revenue stream and Cleophas and Frank (2011) discussed the 10 facets of RM in the literature and practice including myths such as (a) maximized revenue, (b) competitive edge, (c) network considerations improved, (d) mathematicians field, (e) optimization, (f) availabilities, (g) dedicated software systems, (h) invented by airlines, (i) highest prices paid by customers, and (j) difficult to implement. The researchers listed some of the RM assumptions for each myth and provided information regarding the optimization process that leads to more questions (Cleophas & Frank, 2011). Consequently, further investigation is a key to examine other opportunities within RM.

Ashton, Scott, Solnet, and Breakey (2010) indicated restaurants affiliated with the hotel industry were playing a pivotal role in increasing revenue and responding effectively to customer expectations. Hung, Shang, and Wang (2010) indicated hotel maturity and market conditions are significant in the high price category and the amount of foreign independent travelers significantly influences room prices. Lynn (2013) tested

the common belief that different types of restaurants have more appeal for different market segments by testing five types of restaurants (a) hamburger quick service restaurants (QSRs), (b) chicken, Mexican, and pizza QSRs, (c) fast casual restaurants, (d) full-service casual restaurants, and (e) table-service restaurants (Lynn, 2013). Lynn (2013) found that there was no difference between market segments and the same customer types visit the restaurants; therefore, restaurant brands should focus most of their marketing efforts on increasing their appeal to all restaurant customers (Lynn, 2013). However, this may not be the case when determining how to configure a mall food service and the market requirements. Taylor and Verma (2010) found that in a moderate-size food court with some casual and fast casual restaurants, preferences in restaurants varied by demographic differences. Therefore, as developers and operators work together to determine which restaurants to recommend in the malls, taking into consideration customers' demographics and preferences is vital (Taylor & Verma, 2010).

Steed and Gu (2009) investigated and documented present US hotel management company practices in budgeting and forecasting, and recommended a method to improve accuracy and efficiency. Steed and Gu (2009) found four contributing factors in the study: (a) obtaining of inputs from corporate officers, (b) documenting of forecasting and budgeting practices, (c) recommending of a forecasting and budgeting process, and (d) identifying of differences between large and small companies. Noone and Lee (2010) discussed overbooking implications as an important strategy for service providers applying RM techniques. The overbooking objective is to avoid service denial; however, the denials may have consequences affecting the service providers if the customers who

have a reservation do not come as expected. In addition, research has shown that an increase in customer dissatisfaction can reduce customer-spending behavior (Noone & Lee, 2010), especially among women (Heo & Lee, 2011; Lee, Bai, & Murphy, 2012). Consequently, placement service recovery strategies minimize negative outcomes. Even though the study was about the hotel industry, a similar study on the restaurant industry to examine the no show effect of restaurant reservations was a viable option.

Another important factor in both industries was to determine the customers' impressions of hotel and dining atmosphere. Ashton, Scott, Solnet, and Breakey (2010) found the main factor in the hotel industry was distinctiveness, and hospitality was the main determinant for client satisfaction. Other relevant factors observed were loyalty, word of mouth, relaxation, and refinement. In addition, the researchers found that employees are an integral part of hotels; therefore, management should focus not only on the guests but also on employee training (Ashton, Scott, Solnet, & Breakey (2010).

Liu and Jang (2009) examined the effects of the dining atmosphere, positive and negative emotions, value, and post behavioral intentions of Chinese restaurants. Liu and Jang (2009) found the dining atmosphere had a strong influence on customers' emotions and perceived value contributed immensely to post-dining behavioral intentions. Restaurant managers should use the dining atmosphere to improve the perception of value and get a higher rate of returning customers. Consumers decide where to eat and ignoring quality standards can damage the restaurant and lose potential customers to competitors (Barber, Goodman, & Goh, 2011); therefore, the importance of the environment is what most likely differentiates an upscale restaurant from its competition

(Ryu & Han, 2011). Chang, Chen, and Hsu (2010) investigated the relationship between service quality and customers post-dining behavioral intentions. Asymmetrical responses to service quality and the post-dining behavioral environment obtained from a Chinese chain restaurant indicated a correlation between service and customer satisfaction. However, service quality alone is possible only with patrons' attitudinal loyalty (Chang, Chen, & Hsu, 2010).

Consequently, all these factors are relevant; but as with any economic downturn, restaurant and hotel industry economies suffer in decline. Nevertheless, there is a variety of tactics at hotels' disposition to lessen a decrease in revenue per available room (RevPAR). Opportunities are available in the form of pricing in rate optimization, customer loyalty schemes, bundling and corporate social responsibilities strategies considering economic conditions and corporate social responsibilities strategies considering economic conditions (Lee, Singal, & Kang, 2013).

Kimes (2009a) studied the economic downturn impact in 2009 to understand concerns about consumer rate resistance, competition, negotiations, and price. Kimes (2009a) found that revenue managers had difficulty in maintaining pricing positioning. To deal with the issues, revenue managers discussed different pricing approaches such as targeted rate promotions, bundled services, quality competition, strategic partnerships, loyalty programs, developing revenue sources, and developing market segments.

In 2010, Kimes reevaluated the effects of the Great Recession of 2008-2009 and surveyed 980 hotels around the world from December 2009 through February 2010. Kimes (2010) found the discounting tactic was the number one choice out of four

categories; however, cutting prices was not a successful strategy for sustaining revenue levels. Marketing initiatives, obscuring room rates and cutting costs were the other three categories. Respondents said targeting other markets was a successful tactic, but that management would also apply rate-obscuring approaches with an emphasis on value-added packages if this should happen in the future.

Lee, Koh, and Kang (2011) found a moderating effect of capital intensity and an organization should have the ability to maintain their marketing position and advantage in a distressed economy. On the other hand, Pantelidis (2010) found that customers think (a) food, (b) service, (c) ambiance, (d) price, (e) menu, and (f) décor, in that order, to be the most influential factors of the dining experience and this remained the same regardless of the state of the economy. Caudillo-Fuentes and Yihua (2010) also explained that the demand is lower and that market prices tend to decrease during times of recession. However, it is essential revenue managers understand the business and avoid discounting that can harm the business short and long term.

Ovchinnikov and Milner (2012) studied two types of learning behaviors to understand discounted demand from the customers' perspective. Consumers may already expect to pay a discounted price rather than the regular price; therefore, the researchers conducted a series of testing on consumer demand and waiting behavior, using numerical simulations to explore the value of offering end-of-period deals optimally and analyzed how the value changes under different consumer behavior and demand situations (Ovchinnikov & Milner, 2012). Conversely, Kimes and Dholakia (2011) found that a social coupon attracts new customers, returning, and infrequent customers who may even

consider paying regular prices because of the consumer perception that the restaurant provides an excellent value. Wu, Kimes, and Dholakia (2012) found the foremost aspect of the deal was to provide excellent service, so that deal buyers choose the restaurant.

Nusair, Yoon, Naipaul, and Parsa (2010) studied four different service industry types of low-end price service levels (a) restaurants, (b) hotels, (c) mailing services, and (d) retail services. The researchers found these industries should dedicate much thought to the consumers' consciousness in order to determine the extent of discount for enthusiastic sales and increasing revenue (Nusair, Yoon, Naipaul, & Parsa, 2010).

Kumar and Rajan (2012) explored the impact of social coupon campaigns due to its popularity and provided some guidelines for social coupon campaigns, such as (a) strategic offering of discounts, (b) using coupons to build a bond with new customers, and (c) guarding against cannibalizing existing revenue.

Lee, Garrow, Higbie, Keskinocak, and Koushik (2011) investigated the validity of two assumptions in RM, customers booking later are willing to pay more than early booking customers are and there is more demand during the week than on the weekend. To complete this investigation, the researchers examined (a) booking curves, (b) average paid rates, (c) occupancy rates for group, (d) restricted retails, (e) unrestricted retails and (f) negotiated demand segments (Lee et al., 2011). The researchers recommended setting different prices according to weekday or weekend (Lee et al., 2011).

Restaurant Revenue Management

Various types of RM systems are available in the service industry to manage demand, capacity, inventory, and pricing in advance. While technology is a powerful

tool for any business (Kimes, 2008a), the perceived value of technologies increases after the customer experiences the product and advances in information technology have made interpretation of realistic hypothetical scenarios possible for service sectors (Macdonald, Anderson, & Verma, 2012). Several researchers agreed that customers will drive businesses in the future (Noone, McGuire, & Rohlf, 2011; Kuokkanen, 2013).

Kimes discussed extensively the purpose of RRM, to maximize revenue per seat hour (RevPASH) by manipulating price and meal duration (Alexander et al., 1999; Kimes et al., 1998). Enz and Canina (2012) examined the effectiveness of competitive pricing positions in the growth of annual revenue per available room (RevPAR) versus price shifting. The researchers used average daily rate (ADR) and average annual RevPAR growth to understand the difference, finding two price-shifting strategies (Enz & Canina, 2012). The discovery illustrated that a strategy in lower price hotels, in 2007, was to create a price shift to higher categories in 2008 and 2009, and strategy for hotels above the competition in 2007 was to move to lower price categories in 2008 and 2009. Even though RevPAR fell during this three-year period, the shift to a higher price category was successful in terms of average annual RevPAR growth while the lower price strategy was successful in delivering RevPAR growth (Enz & Canina, 2012).

The dining experience begins when the customer makes the reservation and continues through the time the customer dines and leaves the restaurant (Bloom, Hummel, Aiello & Li, 2012). Researchers claim customer perception of fairness is a measure of RM acceptance (Noone, Kimes, Mattila, & Wirtz, 2009; Taylor & Kimes, 2011a). Customer opinion of RM practices may differ if the customer experiences

dissatisfaction, not only at the restaurant, but also when making a reservation, thus affecting restaurant revenue (Heo & Lee, 2011; Noone et al., 2012). Noone, Wirtz, and Kimes (2012) sought to understand the significance of meal pace on customer satisfaction. The researchers found that an overly fast pace during the meal period diminished customer satisfaction irrespective of restaurant type but that customers prefer speed during check settlement (Noone, Wirtz, & Kimes, 2012). Further findings suggested that fine dining customers were more sensitive to pacing issues, especially the pace of welcoming, seating, and taking drink orders than customers in casual or upscale casual restaurants.

In addition, a faster pace at dinner diminished satisfaction ratings as compared to lunch. Kim and Lee (2013) seek to understand the reciprocal behavior of gratitude in relation to satisfaction in the upscale restaurant industry. The researchers illustrated how gratitude is a stronger predictor of reciprocal behavior compared to satisfaction (Kim & Lee, 2013). The stronger factors of gratitude were (a) confidence, (b) social, and (c) individual treatment. Food quality caused both satisfaction and a sense of gratitude. Employee service quality affected satisfaction, but physical environment did not affect either. Hyun, Kim, and Lee (2011) and Kim and Lee (2013) indicated that examining these effects enables restaurant managers to understand how to build strong reciprocity with customers by evoking feelings of gratitude.

Noone and Mattila (2010) examined the effect of consumer goals on consumers' reactions to crowding for extended service encounters. Using service encounters in a casual restaurant and a 2 x 2 x 2 factorial between subjects to test the hypotheses: (a)

crowding or not for tolerance as a control variable (b) utilitarian or hedonic goal, and (c) inadequate or exemplary service level as a control variable (Noone & Mattila, 2010).

The satisfaction ratings were lower when the consumption goal was utilitarian rather than hedonic. However, regardless of the goal, crowding eliminates the desire to spend more money and shortens the restaurant visit (Noone & Mattila, 2010). Noone, Wirtz, and Kimes (2012) explored the time component of revenue management (RM) in a dining experience. Prior research illustrated the relationship of perceived pace to customer satisfaction follows an inverted U-shape (Noone, Kimes, Mattila, & Wirtz, 2009). Managers can use duration of service to increase capacity still, without interfering with customer satisfaction. Consumers' perceived control of pace diminishes the adverse effect of a fast pace on customer satisfaction (Noone, Wirtz, & Kimes, 2012).

Kimes (2008b) examined reservations policies regarding late arrivals and table holding for approximately 15 minutes. Kimes (2008b) indicated fairness and customer acceptance of the policy with only a concern for waiting times when canceling a reservation. Hence, it is convenient to optimize their table mix which has been shown to increase revenue, thus, table assignment improved service efficiency and gave restaurants the capability to select the most profitable mix of customers and help them better control their time (Kimes, 2011a).

Robson, Kimes, Becker, and Evans (2011) discovered participants preferred and are even willing to pay more for secured tables that provide privacy, not in high-traffic areas, and tables with a good view. The consumers are willing to pay for each of three main features of restaurants: (a) food quality, (b) service, and (c) ambiance (Perutkova &

Parsa, 2010). In addition, the results of studies illustrated that customers concerned with table location also were extremely satisfied with private table locations. These results confirm that there is a relationship between participants' preferences and table location (Robson, Kimes, Becker, & Evans, 2011). Similarly, a study conducted by Demirciftci, Cobanoglu, Beldona, and Cummings (2010) provided insight into the actual rate parity and influenced hotel guest notion of fairness in the hotel room rate value and equity for what guests are paying. Noone, Kimes, Mattila, and Wirtz (2009) examined the relationship between the service pace and customer satisfaction with restaurant experiences. The researchers observed a pace on satisfaction fluctuating by service stage (Noone, Kimes, Mattila, & Wirtz, 2009). The post-process period has a faster pace than the pre-process or in-process stages.

Kimes and Kies (2012) documented the increasing popularity of sites allowing restaurant reservations. The results indicated that over half of the surveyed respondents had made an online reservation. The limitations of the study included the use of online as the respondents may have systematic differences from consumers who do not use the internet. Kimes and Kies (2012) concluded it might be useful for restaurants to keep in mind a comprehensive distribution strategy to maximize revenue through all channels. It is essential for foodservice operations that may have sustainability issues and may become more complex as customers show an increased interest in healthy food and local sourcing (Withiam, 2011).

In addition, Kimes and Laque (2011) examined the growing popularity of online, mobile, and text food ordering and found that, apart from customers' expectations,

electronic ordering improved order accuracy, improved productivity, and enhanced customer relationship management capabilities; however, the online ordering idea is nonexistent among fine dining restaurants. The customer perception is that making the online reservation themselves provided convenience and control; others prefer the phone interaction or have technology anxiety (Kimes, 2011d). Kimes (2011d, 2011e) found that customers were from a younger crowd and widely patronized restaurants more often than nonusers of technology. Other factors found in the study were that electronic ordering offers order accuracy and restaurants, which offer the online service, also offer delivery service (Kimes, 2011d, 2011e). Restaurant operators found two advantages, savings in labor and order accuracy (Kimes, 2011e).

Kimes (2011b) conducted a survey and found technology continues to grow and will require innovative strategies and revenue managers with the necessary skills such as scientific and communication abilities because the participants' perception is that RM is becoming more centralized. Consumers and businesses are using Web 2.0 and its applications, and businesses are adopting them to support different strategies (Lim, Saldaña, Saldaña, & Zegarra, 2011). Analytical pricing models and social networking/mobile technology are going to have a significant impact on the future (Kimes, 2011b). Consequently, performance measurement will progress to total revenue or gross operating profit rather than by revenue per available room. The same can happen in other types of service industries; in the case of RRM the revenue per available seat can also vary, thus requiring further research.

Varini and Sirsi (2012) explored how a social media strategy integrates with the function of RM, recommending new practices that can create opportunities to capture additional revenues. The focus should be on building attractive and useful content for customers. As organizations become more comfortable with social media strategies and researchers identify ways companies can make profitable use of such applications, companies will be able to better utilize RM practices (Noone, McGuire, & Rohlf, 2011). Chen, Hsu, and Wu (2012) found the use of mobile applications could improve marketing outcomes by using tracking and reporting tools while enhancing and offering additional features while ensuring differentiation.

Noone and Mattila (2009) discussed two different price strategies, blended and non-blended and examined the impact on customers' willingness to pay through the internet. Noone and Mattila (2009) found that a non-blended rate generated higher willingness to book than a blended rate presentation approach. Moreover, familiarity with the hotel's best available rate moderated the impact of rate sequence on customers' desire to book.

Thompson (2010) discussed the RRM term as defined several times in the *Cornell Hospitality Quarterly* (CHQ) since 1998. Thompson (2010) presented a new decision-based framework for restaurant profitability expanding on previous revenue-focused frameworks. However, despite the extensive discussion of the topic, unanswered research questions related to restaurant profitability remain. Some questions still unanswered concern reservations; such as, conducting a study in a broader geographical

area to understand customer reactions to different reservations policies or examine the benefits of taking reservations online among others.

Emerging trends in distribution management will continue to grow, as restaurant information technology (IT) systems become more integrated (Kimes, 2011c). The emergence, and popularity, of third-party sites, such as, OpenTable.com and UrbanspoonRez.com, offering the potential to make reservations online or mobile are opening new opportunities (Kimes, 2009b) for distribution and RM to expand in the restaurant industry. The four basic ways of distributing inventory are by (a) telephone, (b) call centers, (c) online, or (d) mobile through a third-party application (Kimes, 2009b). With the contribution of new distribution channels, revenue managers will need to rethink how restaurants will manage inventory. The challenge is applying the lessons learned in other industries to the emerging distribution and RM issues in the restaurant industry.

Because of the important role of online product reviews, Zhang, Ye, Law, and Li (2010) studied the drivers of consumer purchase decisions online and found consumer-generated reviews about the quality of food. The editor reviews have a negative effect on the consumers' intention to visit a restaurant webpage; however, atmosphere and service have a positive association. The researchers' conclusions will allow other researchers and practitioners to understand the impact of electronic word-of-mouth on purchase decisions and the domino effect caused by the importance of advertisement while understanding consumer behavior (Hwang, Yoon, & Park, 2011; Zhang, Ye, Law, & Li, 2010).

To determine the impact to the restaurant industry these trends open up a new way of thinking about research (Kimes, 2009b). Lee, Hwang, and Hyun (2010) found that younger customers would consider participating in mobile offered services; other types of users prefer receiving discounts, incentive information, and electronic coupons. In addition, online customers prefer not to receive gourmet menu information, pictures, or videos and do not share any personal information.

Parsa, Gregory, Self, and Dutta (2012) explored the relationship between restaurant attributes and consumers' willingness to patronize. The study included two types of restaurants and three factors affecting restaurant guests and their impact on consumers' willingness to pay and the consumers' willingness to patronize (full-service and quick service), two levels of performance (high and low) and three key attributes of (a) food quality, (b) service, and (c) ambience (Parsa et al., 2012). Parsa et al. (2012) results indicated that consumers give more or less importance to each attribute, the level of importance varying with the restaurant type (full-service or quick service). This quantitative comparative study purpose was to examine the results of implementing a payment requirement system and the impact of those results on the table service restaurants (full-service).

Revenue Management Policies

Kimes and Wirtz (2007) tested three policies for managing demand in casual restaurants: (a) taking reservations, (b) taking advance waitlist, and (c) seating guests from a first-come, first-serve waitlist. Participants preferred reservations, and over half of the participants would not consider a restaurant if they could not make a reservation.

Call-ahead seating was not an acceptable option for reservations but an improvement from first-come, first-served seating. The study demonstrated that participants like reservations; therefore, a study to determine the payment policies impact should follow. In addition, other service industries are experiencing a number of no shows that significantly affect revenue, cost, and resource utilization (Alaeddini, Yang, Reddy, & Yu, 2011).

Bo, Turkcan, Ji, and Lawley (2010) intended to reduce the negative impact that no shows, revenue from patients and costs associated with patient wait times, and physician overtime have on clinic operations to maximize profit. The test resulted in proposing two sequential scheduling procedures and managerial insights for health care practitioners. Chakraborty, Muthuraman, and Lawley (2010) developed the aforementioned sequential clinical scheduling process for patients with general service time distributions. The sequentially constructed schedule process was for (a) patients to call and request an appointment, (b) the scheduler to assign a convenient time, and (c) confirmation of the appointment. Once all the appointments are set the system is limited for adjustments, but this creates an issue when scheduled patients do not show up (a no show). To work with the no show issue, Kros, Dellana, and West (2009) developed an overbooking model including the effects of employee burnout. After the implementation of the model, the initiative brought \$95,000 in savings, indicating that implementing strategies may reduce the cost associated with no show and the repercussion effects in businesses, such as labor.

In the restaurant business, Oh and Su (2012) considered two tactics, charging for no shows and encouraging shows by providing discounts because reservations by no

shows produced wasted capacity in restaurants. The goal was to solve for the optimal price and no show fee and offer recommendations to the restaurants. The result of the model suggested restaurants should charge a no show penalty as high as the price of a meal while giving a discount to reservation customers. The results were consistent with high-end restaurants offering prepaid prix-fixe nonrefundable menus when customers fail to show up. In addition, those who made an online reservation through the website received a discount. Restaurant managers can test a discount implementation to determine the impact to restaurant reservations, in addition to increase or, decrease in no shows.

Enz and Canina (2012) discussed pricing policies are a key strategy when stimulating tourism demand and improving hotel performance. Besbes (2012) considered a variety of RM problems, where a vector of prices determined mean demand at each point in time and dynamically adjusted the prices to maximize revenue over the booking horizon. To minimize the gap, Besbes (2012) discovered that realized that observation of demand is over time and does not measure the function that maps prices into demand rate. Besbes (2012) introduced pricing policies designed to balance trade-offs between exploration (demand learning) and exploitation (pricing to increase revenues). Koenig and Meissner (2010) identified challenges associated with firms involved in the sales of multiple products that consume single resources over a fixed duration of time. The research included analysis between two distinct pricing policies. One policy focuses on fixed adjustment pricing while the other focuses on fixed pricing. The researchers concentrated on the consequences of choosing one pricing policy over the other (Koenig

& Meissner, 2010). Eren and Maglaras (2010) considered RM policies under the online algorithm approach based on the highest competitive ratio. The policies can guarantee addressing the two-fare problem, the multifare problem and the bid-price control problem developing new RM policies and performance criteria (Eren & Maglaras, 2010).

Liburd and Hjalager (2010) highlighted the importance between the fast-changing tourism trends and learning processes. Tourism is a fast growing industry representing a mass movement of people, affecting many destinations, and creating employment opportunities. However, it is necessary to keep up with new trends such as moving from mass tourism to niche tourism and new experiences, which service providers in tourism have to attain. In view of the fact that the industry relies on people, it is also essential to maintain an open communication (Allon, Bassamboo, & Gurvich, 2011) and examine the customer reaction to the lack of information.

RRM strategy and tactics generate the need for skilled individuals who can execute it (Alexander, Barrash, & Kimes, 1999). A RM system takes into account cancellations and no shows. Morales and Wang (2010) reviewed the passenger name record (PNR) data mining based on cancellation rate forecasting models addressing the no show cases and were able to determine that cancellation behavior varies in different stages of the booking horizon. The discovery helped revenue managers to understand what drives a cancellation and examined the performance of the data mining methods when applied to PNR based cancellation rate forecasting (Morales & Wang, 2010).

Zakhary, Atiya, El-Shishiny, and Gayar (2011) used estimation parameters from the historical data to simulate reservation arrivals, cancellations, length of stay, no shows,

group reservations, seasonality, and trends among others. The model provided greater results compared to existing approaches, thus presenting the full picture of what will happen for all processes in a probabilistic manner. Learning and applying new knowledge is what services are about so satisfied customers will return. The application of the new knowledge can create a competitive advantage for the service providers and provide a better image for any tourism destination (Anderson, Kimes, & Carroll, 2009).

The future is mobile payment solutions and the accompanying value to clients by reviewing the production and consumption of customer value of the existing mobile payment landscape. Carton, Hedman, Damsgaard, Tan, and McCarthy (2012) used this research to create a framework to match customer value, including what the customers purchase, payment integration, and the method of payment. Thus, this framework offers a reasonable method for considering the contribution of mobile technologies to the payment industry (Carton, Hedman, Damsgaard, Tan, & McCarthy, 2012).

Transition

Researchers continued to investigate the future of the hotel revenue management. The purpose of this study was to examine the potential effects of implementing a credit card guarantee policy. The intervention of this payment policy affected the number of reservations and number of no shows made by fine dining restaurant patrons. The findings from this quantitative proposal were to enhance understanding of the problem from the RM perspective benefiting the restaurant managers, their employees, and customers.

The application of RM theory in combination with information technology assisted researchers in verifying whether the implementation of reservation payment policies had an impact on the number of reservations made and the number of no shows per day for the third quarter of Fiscal Year 2011 and the third quarter of fiscal 2012. The data were from six fine dining restaurants located within high-end hotel properties in the southeast United States for the purpose of this study. The time period was set for before and after the policy implementation date, October 2011. Examination of the potential impact of the policy on the reservations assisted in providing revenue managers, operations managers, and potentially other service industry managers with the necessary process and tools to evaluate and improve their business performance. If the policy implementation helped increase customer patronage, it would be easier to control inventory, demand and variable costs, thus obtaining long term profitability for restaurants and boosting employee retention and customer satisfaction.

Section 2: The Project

This part of the doctoral study includes (a) the purpose statement, (b) the role of the researcher, (c) participants, (d) the research method and design, (e) population and sampling, (f) data collection and analysis, and (g) reliability and validity.

Purpose Statement

The purpose of this quantitative comparative study was to examine the potential effects of the implementation of payment requirements for fine dining restaurant reservations. Addressing this purpose required analyzing consumer behavior and business impact to examine the effects of changing payment policies and patrons not honoring reservations. The main research question was as follows: Was there a significant difference in the number of daily reservations made and/or the number of no shows for the time periods of the third quarter of Fiscal Year 2011 and 2012 before and after changing the reservation policy, for a company's six fine dining restaurants in the southeast United States? The findings assist me in determining if payment policies for reservations reduced no shows, if it increased overall revenues, and if the concept applied to other service industries.

Role of the Researcher

I have been a part of the service industry for approximately 27 years and the last 7 years as a restaurant revenue manager, providing me an opportunity to understand revenue managers' key interests and responsibilities. Revenue Managers are not only interested in increasing revenue, but also in finding how to maximize existing resources, such as restaurant capacity and table inventory. Understanding the results of the payment

implementation allows revenue managers to develop a plan to implement payment policies in phases. For example, revenue managers in the first phase select which type of restaurant and which type of policy to implement. If the first phase is successful, revenue managers could determine if other types of restaurants, like casual dining, and if deposit policies were feasible at all restaurants, allowing for the application of learning from earlier policy implementation phases. I received permission to access historical data before and after implementation of payment policies from both the assistant chief counsel and the vice president of RM (see Appendix A). Once I completed the data collection and analysis process, a determination of the extent to which payment policy for a reservation reduced no shows, and if the reservation policy changed or affected the number of reservations per time period, was apparent.

Participants

Human participants were not necessary for this study. The secondary data existed and were accessible. Archival data were available, and a selection from approximately 120,000 reservations from six fine dining restaurants with a credit card guarantee policy within high-end hotel properties in the southeast United States, was available to conduct the study.

Research Method and Design

I employed a quantitative comparative study to examine the effect, if any, of a reservation payment policy on the number of reservations and number of no shows at six fine dining restaurants. In this quantitative comparative study, the use of historical data to compare reservation patterns at six fine dining restaurants was beneficial because I was

able to compare specific time periods with the same credit card-guaranteed policy. The time periods, the third quarter of Fiscal Years 2011 and 2012, were set according to the date of the policy implementation, October 2011.

Research Method

A quantitative study was the method choice for analyzing the data to test the research hypotheses. Ahmed, Atiya, El Gayar, and El Shishiny (2010) provided guidance for researchers when selecting models for testing. The authors tested several machine learning models with regression analysis, and the differences revealed within methods during the process helped me understand the significance of using the correct method to analyze your data. The understanding of the RM practice and algorithms assisted in comprehending the efficiency of new business practices (Bell, 2012). The archival data available allowed me to examine if the implementation of a credit card guarantee policy reduced the number of reservations and the number of no shows. In addition, I sought to determine if the reservation policy changed or affected the number of reservations and no shows per time period.

The quantitative method was appropriate in this study because I addressed only the number of reservations and the number of no shows. The data contained statistics for the control group, which was the number of reservations and the number of no shows made before the policy change for payment requirement. I quantitatively measured the number of reservations and no shows; therefore, a qualitative or a mixed method study would not have been appropriate in this case (Trochim, 2006). In addition, while a mixed method approach may have assisted a researcher with understanding why the new

reservation policy changed their behavior, for purposes of this study, only an examination of the size of the effect on the number of reservation and the number of no shows was in question.

Research Design

Choosing the quantitative comparative design aided in discovering if there was a statistically significant difference in the number of reservations and no shows made before and after the implementation of a reservation payment policy. The results of the study assist RMs with understanding the policy effects and if the credit card-guaranteed policy influenced consumers' decision when making a reservation. The findings provide additional availability, which results in increasing customer satisfaction.

A true experiment includes (a) a pre-post test design, (b) a treatment group and a control group, and (c) a random assignment of study participants; quasi-experimental studies lacked one or more of these design elements (Williams, 2011). In this case, the study was a nonexperimental quantitative comparative design because the intent was not the random assignment of policies, or to compare a control group of restaurants, or self-change the restaurants' reservations policy. The main intent was to use historical data, from before and after payment requirement implementation, to determine if there was a statistical difference in the number of reservations and the number of no shows. \

A descriptive research design can be a quantitative or a qualitative study. A qualitative research design was not feasible in this case because the intent was to examine the effect of an identified variable (Williams, 2011). A correlation research design was not feasible either because the intention was not to determine the extent of a relationship

between the variables using statistical data (Trochim, 2006). The intention was to compare the number of reservations and the number of no shows at the six fine dining restaurants before and after the reservation policy change. Therefore, I chose to use a quantitative comparative design to address the business problem and purpose for this study.

Population and Sampling

For the chosen population of six fine dining restaurants, data from approximately 100,000 reservations were available for the chosen time periods, the third quarter of Fiscal Year 2011 and the third quarter of Fiscal Year 2012. The six fine dining restaurants were not originally subject to the payment policy; after the implementation of the payment policy, the six fine dining restaurants required a credit card guarantee to make the restaurant reservation. Because data for all six restaurants were available for both the first and second quarters in the analysis, all data were included.

The value of alpha (α) is set at a .05 level of significance (Green & Salkind, 2011). The desired statistical power ($1 - \beta$) is .8 (Green & Salkind, 2011). Green and Salkind (2011) proposed the use of the values of (.2, .5, and .8) for small, medium, and large effect sizes. As no previous empirical studies were available to support the decision to select one effect size, I estimated the sample size requirements for all three effect sizes. I then used G*Power, a statistical power calculation program, with the a-priori sample size type of power analysis for means difference between two dependent means (matched pairs). The results showed that for Alpha = .05, and Power = .8, sample sizes of 156, 27, and 12 days for each of the six restaurants are required to detect in corresponding order

small, medium, and large effects (.2, .5, and .8). A quarter sample of 90-reservation days pre- and post credit-card-guaranteed implementation for each of the six restaurants was sufficient to detect a medium effect size.

Ethical Research

The company protected the data, and the data were only accessible with permission. The data were anonymous and historical confidential information only. Once the data were accessible, I saved all of the data on an encrypted file folder. Other than myself, no one will have access to the data. In addition to the authorization from the company's representatives to use the data, the proposal also required the approval of Walden's Institutional Review Board (IRB). I began the study after receiving all of the approvals. The data will remain secure in a personal computer drive for 5 years, and I will destroy the files immediately after this period.

Data Collection Instruments

Once the RM analyst extracted the restaurants' data from the data warehouse system, the necessary data were available for analysis. The requisitions for the storage of the data were 5 years in an archive before discarding. The data were confidential, and the company's executives consented to the use of the private data.

The variables and weekly data attributes were as follows: (a) number of daily reservations, (b) number of daily no shows per reservation, and (c) reservation date. In addition, the policy stated the cancellation fee charged in the event of a no show, for example, 1 day/\$10 per person cancellation. Other data categories, revenue from

cancellation, revenue per reservation, reservation made, and reservation by fiscal weeks, were available but were not relevant for addressing the purpose of this study.

Calculating the differences in the number of reservations made per day before the policy change against the number of reservations per day made after the policy change assisted in determining if there was any difference before and after the policy change. In addition, calculating the number of reservations that “showed” versus “no showed” assisted in examining the differences in the number of no shows. The historical data included the same weeks, 27 to 39, for the third quarter of Fiscal Year 2011 and the weeks 27 to 39 for the third quarter of Fiscal Year 2012.

Data Collection Technique

The company executives provided the necessary approvals to use the data reflecting the before and after the credit card guarantee policy implementation for each of the six fine dining restaurants. To address the research questions, a design entailing a dependent samples *t* test analysis was valuable (Green & Salkind, 2011). Some adjustments from the current historical data were necessary because there were potential outliers in terms of data, for example, eliminating holiday dates or non-categorized data marked as arrived or no show. In this case, 90 days of pre and post quarterly data were sufficient to test since 27 days were required to detect a medium effect size. 90 days of data were available to the researcher for a .80 probability of detecting medium effect detection.

Data Organization Technique

The existing RM systems supported the collection and analyses of data regarding the six fine dining restaurants' reservations. The coding designation of the restaurants were from 1 through 6, and each of the restaurants reflected a common dining style and meal period time, dinner at each of the fine dining restaurants. For example, all customers elected a full table service experience, elaborate menus and an extensive wine list.

The analysts stored the historical reservation information on a RM system database. That database included a column, which detailed the finalized status of the reservation. Those reservations in which the customers arrived, dined, and paid had a designation of 'fulfilled'. On the other hand, those reservations in which the customers did not arrive for their reservation had a designation of no show. As a result, from the RM system data provided the researcher had access to the number of no show reservations without any additional calculations required. I used the number of no show and daily reservations to compare the weeks 27 to 39 from the third quarters of Fiscal Year 2011 (before) and 2012 (after) using a credit card guarantee policy for dinner reservations at each of the six fine dining restaurants.

Data Analysis

The Statistical Package for the Social Sciences (SPSS) from Green and Salkind (2011) was the software for analyzing the data. The data for analysis included the reservation and no show statistics for the six fine dining restaurants, weeks 27 to 39 from the third quarter of Fiscal Years 2011 and 2012, which included payment not required for

2011, and credit card-guaranteed for 2012. To compare the means between two related groups that share the same continuous dependent variable, the dependent samples *t* test was the recommended statistical test. I conducted a dependent samples *t* test of the paired differences for like days between the two quarters for the two response variables: (a) the number of reservations and (b) the number of no show reservations. I paired the same fiscal dates for the time period before the policy change (2011), and after (2012), the payment policy changed. The dependent samples *t* test analysis was valuable (Green & Salkind, 2011) in determining if payment policies for reservation reduced the number of no shows and the number of reservations per day. The assumptions of normality, homoscedasticity and sphericity were tested and accepted, the results of the tests were valid.

To conduct a dependent *t* test the assumption of normality must be met. Normality was tested using SPSS (Green & Salkind, 2011) for each of the difference scores (Customer Booked Qtr 1 - Customer Booked Qtr 2, and Customer No Shows Qtr 1 - Customer No Shows Qtr 2). For small and medium samples sizes ($n < 2000$) *Shapiro-Wilk* (*S-W*) is the recommended normality test, where the null hypothesis is that the data are normally distributed. In order to not reject the null hypothesis, the *p* value must be greater than the chosen alpha value, in this case .05, to not reject the null hypothesis.

Reliability and Validity

Reliability

Reliability was one construct for assuring a study's findings' credibility, high reliability means the margin of error is minimal (Bronson, 2013; Trochim, 2006;

Williams, 2011). The documentation for each step of the examination process supported the reliability of this project, and thereby provided other researchers with the ability to repeat the analysis. For example, the processes for the restaurant selection process, fine dining restaurants in the southeast United States, the same number of weeks, 27 to 39, verified the data, categorized the data, and eliminated holiday dates that could skew the test by using raw data when conducting the tests. An RM analyst would provide the data anonymously and would eliminate company names and restaurant names with numbers. The analyst would only specify (a) type of payment policy, (b) date of each reservation, (c) fine dining restaurants only, (d) number of reservations, and (e) number of no show reservations.

Validity

In a quantitative comparative study, addressing internal validity is necessary to enable conclusions in reference to cause and effect. One means for assessing internal validity is the degree to which groups are comparable before the study, and external validity is the degree to which the findings of the study are applicable to other restaurant environments, (Bronson, 2013; Trochim, 2006; Williams, 2011) or other service industries. Therefore, given that the variable in this case, the six fine dining restaurants, did not change from before and after payment implementation and the degree they are comparable, the only difference between the restaurant's pre and post environments was the credit card guarantee policy, and the policy change may have been the only different attribute. In the external environment, the financial performance of the company and the overall state of the economy did not have an effect on pre and post testing. Validating if

there were any significant differences among the six fine dining restaurant reservations before and after the policy change was necessary. In order to improve the validity of the test, the dependent samples *t* test analysis required meeting the assumptions of normality, sufficient sample size and equal groups.

Transition and Summary

The objective of the study was to examine how the implementation of a change in policy may affect the number of reservations and no shows with a quantitative comparative design. The purpose of the study was to examine the effects of implementing a credit card payment policy and to determine if requiring payment for a reservation could affect the number of reservations and/or no shows. RRM managers, restaurant employees, and customers benefited from the results of conducting an analysis for fine dining table service restaurant reservations in the southeast of the United States.

Restaurant revenue managers may have benefited from the potential increase in revenue and customers benefited from the availability at the restaurants and lower costs for the consumer. Employees may also have benefited from increased operating hours and gratuities. In Section 3, I included the hypotheses testing results, recommendations, and conclusions.

Section 3: Application to Professional Practice and Implications for Change

Introduction

The purpose of this quantitative comparative study was to examine the effects of implementing a credit card payment policy for fine dining restaurant reservations to determine the extent to which this policy prevented no shows. The restaurant sample included all fine dining restaurants located within high-end hotel properties in the southeast United States. The restaurants had a similar service style, similar menus, and similar check average for the same meal period and operating hours. I included all data in the testing because the data for the six restaurants, all owned by the same company, were available for both the first and second quarters. The quantitative approach undertaken in the study was appropriate because the method aligned with the intention to examine data pre and post implementation of a credit card guarantee policy.

I addressed one research question for the study: Is there was a significant difference in the number of reservations made and/or the number of no shows for the time periods of the third quarter of Fiscal Year 2011 and 2012, before and after changing the reservation policy, for a company's six fine dining restaurants in the southeast United States? According to the collected data, there was a statistically significance decrease in the number of reservations made by fine dining customers with payment requirements. In addition, the payment policy implementation resulted in a statistically significant decrease of no show reservations made by fine dining restaurants' customers with payment requirements. The results of the study reinforced the recommendation for companies in the restaurant industry to consider the implementation of a credit card

guarantee policy into their respective business while minimizing customer satisfaction concerns.

Presentation of the Findings

The purpose of the study was to determine if there was a significant difference in the number of no shows and in the number of reservations made by restaurants between the quarters of Fiscal Years 2011 and 2012. I statistically tested the following hypotheses:

$H1_0$: There is no statistically significant difference in the number of no shows made per day among the six fine dining restaurants, for the third quarter of Fiscal Years 2011 and 2012.

$H1_a$: There is a statistically significant difference in the number of no shows made per day among the six fine dining restaurants, for the third quarter of Fiscal Years 2011 and 2012.

$H2_0$: There is no statistically significant difference in the number of reservations made per day among the six fine dining restaurants, for the third quarter of Fiscal Years 2011 and 2012.

$H2_a$: There is a statistically significant difference in the number of reservations made per day among the six fine dining restaurants, for the third quarter of Fiscal Years 2011 and 2012.

I used SPSS software to analyze the data from the third quarter of Fiscal Years 2011 and 2012. I analyzed the number of customers booked and the number of

customers no shows (DV) from six restaurants by the independent variable, quarter, during (a) Fiscal Year 2011 and (b) Fiscal Year 2012.

The findings of this study represent an empirical test of the propositions and customer behavioral intentions outlined by Alexandrov and Lariviere (2012) and Kimes (2011a) regarding the implementation of a credit card guarantee in order to minimize no shows. The findings in this study are similar to findings of Kimes (2008b, 2011a) and Oh and Su (2012) who found that it was fair to ask customers to guarantee their reservation with a credit card. I tested the hypothesis and found that requesting a credit card guarantee policy is successful in reducing the number of reservations and no shows in fine dining restaurants. These findings are also similar to the findings of Kimes (2008b, 2011a) who found that consumers consider the payment requirement policy as acceptable and fair and agree that the use of different payment policies may help with the understanding of cancellation and no shows (Morales & Wang, 2010).

Descriptive Statistics

The six fine dining restaurants compared for this study had a similar service style and were for the same dinner meal period with similar menus and similar check average; all six restaurants opened daily from approximately 5 p.m. to 10 p.m. The restaurant selection process included only fine dining restaurants within high-end hotel properties in the southeast United States for the same number of weeks, 27 to 39. Customers made reservations for the third quarter of 2011 from April 3, 2011 to July 2, 2011. Customers made reservations for the third quarter of 2012 from April 1, 2012 to June 30, 2012.

I categorized the reservation data by groups: Group 1 for Fiscal Year 2011 and Group 2 for Fiscal Year 2012 and designated a restaurant number between 1 and 6. I reviewed archival data for (a) number of daily reservations, (b) number of daily no shows, and (c) fiscal year. The six fine dining restaurants were not originally subject to the payment policy (Fiscal Year 2011); after the implementation of the payment policy (Fiscal Year 2012), the six fine dining restaurants required a credit card guarantee to make the restaurant reservation. All six restaurants had between 36 to 56 tables, with a capacity of between 161 and 228 seats, and an average price per meal ranging from \$30.00 to \$60.00 per adult. All six restaurants could handle approximately between 300 to 500 customers per dinner meal period, which is approximately from 5 p.m. to 10 p.m.

I conducted a dependent samples *t* test to evaluate whether there was a significant difference in the customers booked and the number of no shows by quarter. The data included arrivals, cancellations, and no show reservations before and after the policy implementation. Table 1 includes the descriptive statistics for the two dependent variables, the number of no shows, and the number of reservations at each of the six restaurants.

The number of reservations per day in the fiscal quarter before (2011) the policy implementation had a mean of 2833.63 (*SD* = 537.76). The fiscal quarter after (2012) the policy implementation had a mean of 2125.59 (*SD* = 415.00). For the number of no shows per day in the fiscal quarter before (2011), the policy implementation the number of no shows had a mean of 448.03 (*SD* = 124.69).

For the fiscal quarter after (2012) the policy implementation, the number of no shows had a mean of 64.76 ($SD = 27.66$). Table 1 illustrates the distribution of no shows by quarter, indicating that after the policy implementation there was an apparent reduction in the number of no shows. The assumption of normality of the difference scores (Customer Booked Qtr 1 - Customer Booked Qtr 2 and Customer No Shows Qtr 1 - Customer No Shows Qtr 2) was assessed by conducting a normality test within SPSS.

For small and medium samples sizes ($n < 2000$) *Shapiro-Wilk (S-W)* is the recommended normality test. While customers booked meets the assumption of normality ($p > .05$), customer no shows violated the assumption of normality ($p < .05$, see Table 2). Because of customer no shows not meeting the assumption of normality, the nonparametric equivalent of the dependent samples *t* test, the *Wilcoxon signed rank* test, was appropriate to test Hypothesis 1. A nonparametric test is appropriate to test whether or not there was a statistical significant difference in the means of the two groups exists (Trochim, 2006).

Table 1

Customers No Show and Booked Before (2011) and After (2012) Policy Implementation

Customers	Fiscal Years	<i>n</i>	<i>M</i>	<i>SD</i>	<i>SE Mean</i>
Booked	Grp 1	91	2833.63	537.76	56.37
	Grp 2	91	2125.59	415.00	43.50
No Show	Grp 1	91	448.03	124.69	13.07
	Grp 2	91	64.76	27.66	2.89

Table 2

Customers No Show and Booked Before (2011) and After (2012) Policy Implementation

Shapiro-Wilk Test of Normality

Difference Score	<i>Statistic</i>	<i>df</i>	<i>p</i>
Customers Booked	.977	90	.104
Customers No Show	.940	90	.000

Inferential Statistics

Hypothesis 1. Hypothesis 1 stated there is no statistically significant difference in the number of no shows made per day among the six fine dining restaurants between the third quarters of Fiscal Years 2011 and 2012. The assumption of normality was violated so I conducted the *Wilcoxon Signed Rank Test* to compare the effect of a credit card guarantee policy on the number of no shows before and after implementation conditions. The data included all no show reservations before and after the policy implementation. I conducted a *Wilcoxon signed rank test* to compare the effect of a credit card guarantee policy on the no show numbers before and after implementation conditions (see Table 3).

Table 3

Wilcoxon Signed Rank Test Statistics on Fiscal Years 2011 and 2012

Customer No Shows Qtr. 1 - 2	<i>N</i>	Mean Rank	Sum of Ranks
Negative Ranks	91	46.00	4186.00
Positive Ranks	0	0	0
Ties	0		
Total	91		

The results of the test were in the expected direction and significant, $z = -8.284$, $p < .001$ with a medium effect size ($r = .614$, $r^2 = .36$). The median score on the no shows decreased from pre credit card policy ($Md = 448.03$) to post credit card policy ($Md = 54.76$) implementation. The results indicate that when restaurants implement a credit card guarantee reservation policy, they will have a lesser number of no show reservations. Therefore, the null hypothesis that there was no statistically significant difference in the number of no shows made per day among the six fine dining restaurants, for the third quarter of Fiscal Years 2011 and 2012 was rejected.

Hypothesis 2. Hypothesis 2 stated there is no statistically significant difference in the number of reservations made per day among the six fine dining restaurants, for the third quarter of Fiscal Years 2011 and 2012. The assumption of normality was not violated. Therefore, I conducted a dependent samples t -test to compare the impact of a credit card guarantee policy on the number of reservations, in before and after implementation conditions, specifically to evaluate the hypotheses on whether or not there would be a statistically significant difference in the total number of reservations.

There was a statistically significant decrease, $t(90) = -10.76$, $p < .001$ (one-tailed), in post policy implementation reservations ($M = 2,125.59$, $SD = 415.00$) from pre policy implementation ($M = 2,833.63$, $SD = 537.76$). The mean decrease in reservations was 708.03 with a 95% confidence interval ranging from 577.32 to 838.74. The eta-squared statistic (.563) indicated a medium effect size. The results indicate that when restaurants implement a credit card guarantee reservation policy, they will have fewer reservations. Therefore, the null hypotheses that there was no statistically significant difference in the

number of reservations made per day among the six fine dining restaurants, for the third quarter of Fiscal Years 2011 and 2012 was rejected.

Applications to Professional Practice

The researcher's findings of the current study have the potential to apply to professional practice in business in several ways. I built upon the existing literature and provided rich data to existing knowledge about RM and its relationship to the service industry, especially restaurants. The reduction of the number of no shows between the reservation made at the restaurant before and after the policy implementation improved the restaurant predictable demand.

Knowledge obtained from the study may help to provide understanding of how revenue managers and operation managers in the service industry may implement policies without hesitation. In addition, this discovery adds to the literature and may help other service industries develop these practices. Researchers may be encouraged by the results to conduct future studies aimed toward the application of payment policies to different types of reservations, restaurants, and geographical locations.

The relationship between managers and customers may improve with the decrease in no show rates since customers who have a legitimate interest in visiting the location were able to hold a reservation. Second, the information gained from the study may encourage managers to develop appropriate policies that could assist in providing awareness to the customer about their reservation. Organizations of the future will need to have effective, transparent policies to gain customer loyalty (Kimes, 2011a).

Implications for Social Change

The implications for positive social change include the potential to improve the understanding of policies and if the implementation of these types of policies is applicable to all products. The initial effort to understand the perceptions of customers among payment policies may lead to an increased awareness of the knowledge the products and can become a policy for all restaurant products. Further awareness and the examination of operations managers' perceptions of the relationships between restaurant managers and customers will emphasize the importance of the implementing the right policies.

The current study served to expand the knowledge of RRM from a business perspective by exploring customers' perspective and implementing policies that will assist the service industry improve their services. The success of organizations depends upon restaurateur's ability to apply policies that will improve customers' satisfaction. The framework of the current study provided a method of examining the data and the perceptions of customers in regards to policies. The researcher expanded the understanding of the policies and the customers' behavior that revenue and operations managers should implement.

Recommendations for Action

Based on the findings of the study, the recommendation for revenue managers is to continue with the implementation of payment policies to all reservation products where there is high demand for the product and the product is sufficiently different to warrant the reservation guarantee price. Specifically, revenue managers should persuade their

customers, in this case operations managers, to agree with the implementation of payment policies to all high-demand reserved products. In addition, the implementation of new policies provide opportunities for customers who were not able to book restaurant reservations before because the location was showing as booked, when in fact it was not completely booked. This might be an educational process for the customers, but bringing awareness of the availability of the restaurant can facilitate the implementation of policies and provide support for the managers' decisions. Managers of service organizations should work toward strengthening the relationship between customers and restaurant managers and develop or add to awareness that reinforce the understanding and the benefits of payment policies.

Recommendations for Further Research

One of the reasons to use a quantitative comparative method in the study was to examine the difference within the third quarters of Fiscal Year 2011 and 2012, in order to examine if differences existed within restaurants no shows and the stability of reservations. A recommendation for further study would be to replicate the study after implementing the payment policy to other types of service restaurants and within different geographic locations. Future studies may involve understanding the relationships between customers and operations managers, and demographic factors such as the age, experience, and education level of the participants.

An additional study may involve the use of other service type of restaurants, such as quick service, fast casual, restaurants offering entertainment, and on specific dates such as holidays to help identify and refine characteristics as they relate to RM

development. The focus of the qualitative study could be differentiated populations of customers into segments to understand if the perception of the policies changes by geographical areas. Future researchers may provide better understanding of the policies and if it is applicable to all service industries.

One area that was deficient in the study was the amount of literature and studies conducted on hospitality management. Researchers should conduct additional studies within hospitality management concentrating on payment policy implementation. A lack of understanding of the perception of policies among the service industry as a whole was evident (Kimes, 2008b, 2011a; Kimes & Wirtz, 2007). The customers were knowledgeable about policies but were not as aware of the nature of the policies in general (Kimes, 2011a).

Reflections

The results of the study solidified the notion for the researcher that a quantitative comparative approach is an effective method for the investigation of the implementation of payment policies in the restaurant industry. I included six fine dining restaurants that shared the same characteristics, but different themes and implemented the same credit card-guaranteed payment policy. The decision to eliminate restaurants that did not comply with the requirements of the study took effect before collecting any data.

Summary and Study Conclusions

The purpose of the quantitative comparative study was to examine if the implementation of payment requirements for fine dining restaurant reservations have an impact on reservations made and to what extent this policy prevented no shows.

Managers can improve revenue and responsiveness by implementing payment policies that can vary from specific dates, seasons and type of restaurant. To provide quality professional development in the future, it will be necessary to have a better understanding of the nature of policies and the traits and behaviors customers' exhibit. The current study is an addition to the body of knowledge and has increased the understanding of payment policies as they relate to restaurant industry.

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Appendix A: Permission to Use F&B Data

DATE: July 24, 2013
 TO: Nanishka Hernandez
 FROM: [Redacted], VP
 RE: Permission to use F&B Restaurant Data
 TITLE: Restaurant Revenue Management: Payment Policies at Table Service Restaurants

I authorize Nanishka Hernandez to analyze the F&B historical data as needed for her project "Restaurant Revenue Management" expressly for the Doctoral Study titled, "Restaurant Revenue Management: Payment Policies at Table Service Restaurants."

I have also included approval from our Legal Department below.

Please let me know if you have any questions or concerns.

Respectfully,



VP-

From:
 Sent: Tuesday, January 15, 2013 9:56 AM
 To: Hernandez, Nanishka
 Cc:
 Subject: RE: Mail with GoodReader attachments

Hi Nanishka. We are comfortable from an antitrust perspective with your doctoral thesis being published in ProQuest

if you include confidential information in your thesis, you will need to obtain business approval. The specific approval needed will depend on what confidential information you intend to include

Please let me know if you would like to discuss further

Assistant Chief Counsel