

A STUDY ON THE IMPACT OF THE BUYER POWER IN SMALL RESTAURANTS

Submitted in partial fulfilment of the requirements for the award of

Master of Business Administration

by

INFANT FRANCLIN F
Register No: 39410071



SCHOOL OF MANAGEMENT STUDIES

SATHYABAMA

INSTITUTE OF SCIENCE AND TECHNOLOGY

(DEEMED TO BE UNIVERSITY)

Accredited with Grade “A” by NAAC I 12B Status by

**UGC I Approved by AICTE JEPPIAAR NAGAR, RAJIV GANDHI SALAI,
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MARCH 2021



SATHYABAMA

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BONAFIDE CERTIFICATE

This is to certify that this Project Report is the bonafide work of **F INFANT FRANCLIN (39410071)** who have done the project entitled “**A STUDY ON THE IMPACT OF THE BUYER POWER IN SMALL RESTAURANT**” under my supervision from December 2020 to March 2021.

DR. G. BHUVANESHWARI, MBA, PH. D
INTERNAL GUIDE

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Submitted for Viva voce Examination held on _____

Internal Examiner

External Examine

DECLARATION

I F INFANT FRANCLIN (39410071) hereby declare that the Project Report entitled **A STUDY ON THE IMPACT OF BUYER POWER IN SMALL RESTAURANT**, done by me under the guidance of **DR. BHUVANESHWARI., M.B.A., Ph.D.**, is submitted in partial fulfilment of the requirements for the award of Master of Business Administration degree.

DATE:

PLACE:

F INFANT FRANCLIN

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F INFANT FRANCLIN

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ABSTRACT

Buyer power refers to a customer's ability to reduce prices, improve quality, or generally play industry participants off one another.” Buyer power is impacted by bargaining leverage, the measure of leverage buyers has relative to the target industry players, and price sensitivity, the measure of buyer sensitivity to changes in price. Buyer power is impacted by bargaining leverage, the measure of leverage buyers has relative to the target industry players, and price sensitivity, the measure of buyer sensitivity to changes in price. We further conclude that, under certain conditions, powerful buyers may be able to prevent higher prices from a merger of suppliers. Once again, empirical tests should guide the evaluation of this merger defence. The conventional antitrust wisdom is that buyer side market power or monopsony is so unusual and so rarely anticompetitive that it should not merit more than a scholarly afterthought. Moreover, these brief mentions typically say it is essentially the mirror image of seller power or that, while seller-side power is suspect since it leads to higher consumer prices, buyer-side power is usually benign, because the public should not care which layer of a distribution channel gets any potential savings that can arise. This short article discusses how buyer power can be anticompetitive. It also discusses how buyer power or monopsony power is not the reciprocal of seller power or monopoly power, and summarizes an American Antitrust Institute conference on the subject. the food industry comprises a complex network of activities related to the supply, consumption, and catering of food products and services. It plays a significant role in the economic development of any nation. It is one of the world’s most dynamic economic sectors. This paper provides a brief introduction to food industry

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CHAPTER – 1

INTRODUCTION

1.1 INTRODUCTION

Food is an essential part of our lives. The food industry is the basic and important to every nation. It is one of the seventeen national critical sectors of US economy. It plays a crucial role in public health, food safety, food security, social development, and nutrition. Product quality, health, and sanitation issues are major concerns in the food industry. The food industry covers diverse activities including food supply, production, harvesting, processing, packaging, transportation, distribution, consumption, and disposal. The development of the food industry began in the early 1900s. People visit restaurants on various occasions. Some like celebrating birthdays there, while others consider these places as the best ones for business meetings. Couples in love also go out on romantic dates there. Many individuals visit restaurants just to have a delicious meal, especially those who don't like cooking. A lot of dishes are quite challenging to cook at home, without proficiency in the culinary art. Even if you are a good cook, you can still take a break from buying food, preparing a lunch and washing up. In fact, eating out is not only convenient, but also gives an opportunity to get fresh ideas about the dishes to cook at home. The guest has to choose a sustainable restaurant and a sustainable menu. And, of course, the product and the menu have too actually been sustainable. A motivated restaurant owner who mistakenly believes he/she is making sustainable dishes, and/or a guest who mistakenly believes he/she is enjoying a sustainable menu: neither of these delivers any effective increase in sustainability. Whether or not a restaurant owner is capable of providing a sustainable menu or the guest is willing to choose it is therefore partly determined by whether or not the menu in question is in fact sustainable. Food is an essential part of our lives. The food industry is the basic and important to every nation. It is one of the seventeen national critical sectors of US economy. It plays a crucial role in public health, food safety, food security, social development, and nutrition. Product quality, health, and sanitation issues are major concerns in the food industry. shows the double pyramid which suggests

a virtuous model to promote sustainable food choices for health and the environment. The food industry covers diverse activities including food supply, production, harvesting, processing, packaging, transportation, distribution, consumption, and disposal. The development of the food industry began in the early 1900s.

1.2 INDUSTRY PROFILE

The Indian food industry is poised for huge growth, increasing its contribution to world food trade every year. In India, the food sector has emerged as a high-growth and high-profit sector due to its immense potential for value addition, particularly within the food processing industry. Accounting for about 32 per cent of the country's total food market, The Government of India has been instrumental in the growth and development of the food processing industry. Industry consists of a group of companies that produce the same goods and services. The industry definition in the competition, it is important to analyse that industry. Of course, the goal is not only to develop strategy and determine the boundaries of and business. Many mistakes of strategy are derived from over-broad or narrow definition of the strategy. Industry definition, the form is too wide to hide the differences between products, customers and geographic areas. All of which are important for competition, determination of competitive position and profitability. Industry definition, the form is too limited, causes to overlook commonalities and relationships among related products with geographic markets which are very important for competitive advantages. One of the major industry sectors in all countries is the food industry, which is associated with food security. With a shortage of food and overpopulation, the development of food industry is essential. The use of new technologies in this sector is a new approach that can be considered. Our country (Iran) is one of the largest importers of food and if today is not the idea of self-sufficiency and food production, Food imports are added every day. We must pursue sustainable development in this sector of industry and with the help of technology, we must note that the development of productivity. The government through the Ministry of Food Processing Industries is making all efforts to encourage investments in the business. It has approved proposals for joint ventures, foreign collaborations, industrial licenses, and 100 per cent export-oriented units.

CHAPTER - 2

REVIEW OF LITERATURE

2. REVIEW OF LITERATURE

2.1. Customer Satisfaction

The word satisfaction (satisfaction) comes from the Latin word “sates” (meaning is quite good) and “facia” meaning adequate. Mown & Minor

(Din arty SH Manu rung 2009) stated that consumer satisfaction is the overall attitude that is indicated form customer evaluation after acquiring consumer goods or services. This is an evaluative judgment after by selection of caused by the selection of special purchases and the experience of using the goods or services. Based on the definition, it can be concluded that customer satisfaction is an attitude, assessment and emotional response shown by the consumer after the purchase process. Consumption derived from the comparison against actual performance against a product and the expectation and evaluation of the experience of consuming a product or service.

2.2. Switching Cost

Switching cost is one of the categories in the switching barriers, which emerges from an analysis

(Colgate and Lang, 2001) against the experience of consuming a product or service. Switching cost has been identified as a contributing factor in sustaining relationships

(Colgate and Lang, 2001). Switching cost is the cost incurred by the customer due to switching to other service providers that would not be experienced if consumers remained loyal with current service providers

(Lee, Lee, and Feick, 2001). Dwyer and Tanner (1999) also classify the switching cost as the loss of value of investment plus fines and other financial costs, related searches, evaluation as well as the cost of the service while using other providers. Switching cost may also be related to perceived risk, that is defined as the perception of the customers will be uncertainty and adverse consequences due to purchase products or services of other. Switching cost seems to be the important reason not to switch to another service provider.

2.3. Trust in Brand

Lau and Lee (1999 in Geed Riana 2008) there are three factors affecting confidence or trust against brand. The third factor is the relationship with the brand can be described as follows: 1) Brand characteristics relating to trust brands include unpredictability, had the reputation of, and competent. 2) Company characteristics that include the reputation of a company, the company's motivation is desirable, and the integrity of a company 3) Consumer-brand characteristic, include the similarity between the concept of emotional branding, with the personality of consumers preferences towards a brand, and the experience of the brand.

2.4. Customer Loyalty

Wulf, Schored and Lacobucci (2001) defines loyalty as the magnitude of the consumption and purchase frequency used by a consumer against a single company.

Sheth & Mittal (2004), customer loyalty is the commitment of customers to a brand, shop, or suppliers, based on a very positive attitude and is reflected in the consistent repeat purchases. Indicators of customer loyalty according to

Kotler & Keller (2006)

are a Repeat Purchase (loyalty towards the purchase of a product); Retention (resistance to the negative influence of the company); Referalls (give reference to others regarding to the products and services).

CHAPTER - 3

RESEARCH METHODOLOGY

3.1 NEED FOR STUDY

Food is an essential part of our lives. The food industry is the basic and important to every nation. It plays a crucial role in public health, food safety, food security, social development, and nutrition. Product quality, health, and sanitation issues are major concerns in the food industry.

3.2 SCOPE OF THE STUDY:

- The research is mainly concentrated for the consumer of the small restaurant.
- It explains the expectation of the buyer towards small restaurant.
- It explains the price sensitivity of the buyer.
- The scope of this project finds the sustainability of the small restaurant

3.3 OBJECTIVE OF THE STUDY

The objective of this study is to observe the buyer power in small restaurants. And the sustainability of the small restaurant

3.3.1 Primary objective:

the objective of this study is to observe the bargaining power of the buyer

3.3.2 Secondary objectives:

- To observe the price sensitivity of the buyer
- Switching cost of the buyer
- To analyze sustainability of the small restaurant

3.4 RESEARCH DESIGN:

A research design is considered as the framework or plan for a study that guides as well as helps the data collection and analysis of data.

3.4.1 Descriptive Research Design

Descriptive research is a study designed to depict the participants in an accurate way. More simply put, descriptive research is all about describing people who take part in the study.

3.5 SOURCES OF DATA

3.5.1 primary data

Primary data, by contrast, are collected by the investigator conducting the research

3.5.1.1 Questionnaire:

The questionnaire tried to capture the responses of the customers mainly on the key deliverables, derived from the survey conducted, and a few questions have been included to gauge the level of satisfaction and to gain insight into buyer expectations.

3.5.2 Secondary Data sources

Secondary data refers to data that was collected by someone other than the user. Common sources of secondary data for Journal, Books, Websites, organisational records and data that was originally collected for other research purposes.

3.5 Structure of Questionnaire:

There are two broad types of questions open ended or open questions, and closed ended or closed questions. Open questions enable respondents to answer as they wish. Closed questions provide respondents with a list of options from which they choose.

3.7 SAMPLING TECHNIQUE

3.7.1 Convenience sampling method

A convenience sample is one of the main types of non-probability sampling methods.

A convenience sample is made up of people who are easy to reach.

3.8 PERIOD OF STUDY

The period of study is from January 2021 to March 2021 which is a three months study.

3.9 ANALYTICAL TOOLS

The analytical tools used are spss for testing the hypothesis, chi-square test in spss tool and ANOVA in spss tool and correlations in spss tool.

3.10 LIMITATIONS OF THE STUDY:

- The analysis of the present study has been carried out based on the information has collected from the buyers who visit small restaurants.
- Due to time constrict only 100 numbers of respondents were considered.
- The result fully depends on the information given by the respondents which may be based

CHAPTER – 4

DATA ANALYSIS AND INTERPRETATION

4.1 PERCENTAGE ANALYSIS

TABLE 4.1.1. GENDER OF THE RESPONDENTS:

PARTICULARS	NO. OF. RESPONDENTS	PERCENTAGE
Male	54	54
Female	46	46
Total	100	100

SOURCE: PRIMARY DATA

INTERPRETATION:

From the above table it is interpreted that the number of male respondents is 54% and female respondents is 46%

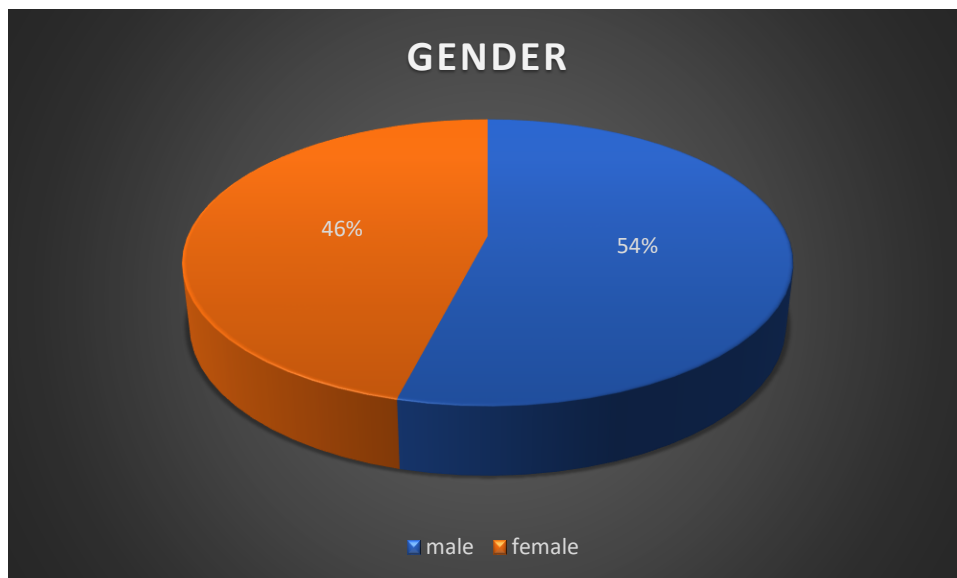


CHART4.1.1: GENDER OF THE RESPONDENTS

TABLE 4.1.2: AGE OF THE RESPONDENTS:

PARTICULARS	NO. OF. RESPONDENTS	PERCENTAGE
18-25	72	95.2
26-30	17	2.4
31-35	5	2.4
ABOVE 35	6	6
TOTAL	100	100

SOURCE: PRIMARY DATA

INTERPRETATION:

From the above table is interpreted that the number of respondents between 18-25 72%,26-30 is 17%,31-35 is 5% and Above 35 is 6.

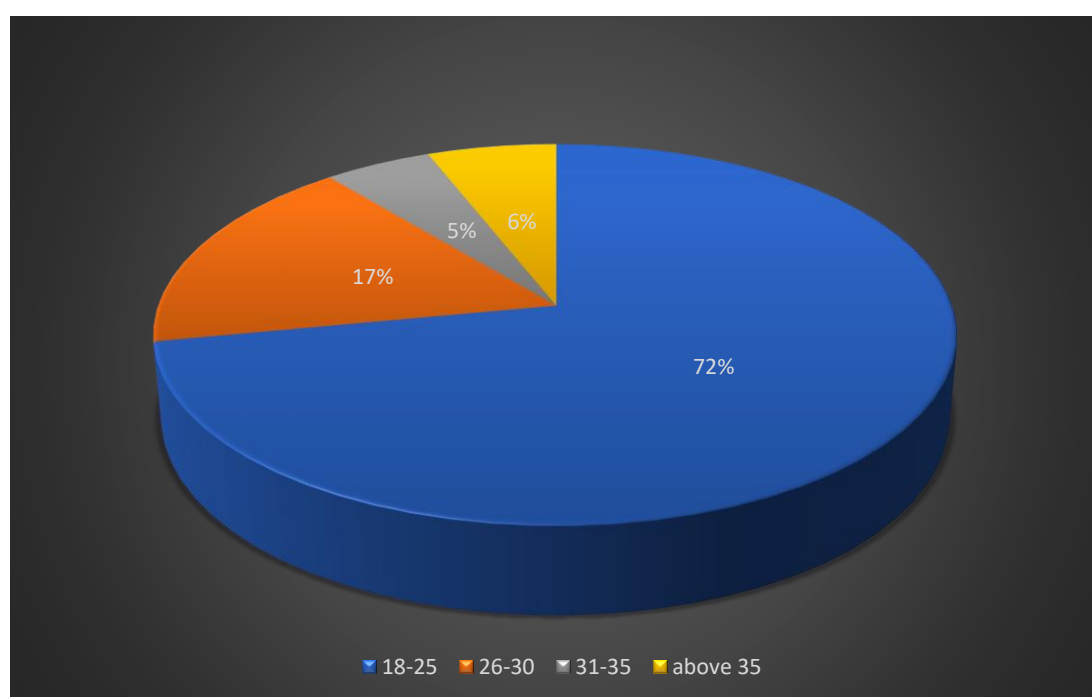


CHART 4.1.2 AGE OF THE RESPONDENTS:

Table 4.1.3 MARTIAL STATUS

PARTICULARS	NO. OF. RESPONDENTS	PERCENTAGE
Married	18	18
Unmarried	82	82
Total	100	100

SOURCE: PRIMARY DATA

INTERPRETATION:

From the above table is interpreted that the number of respondents is married is 18% and unmarried is 82%.

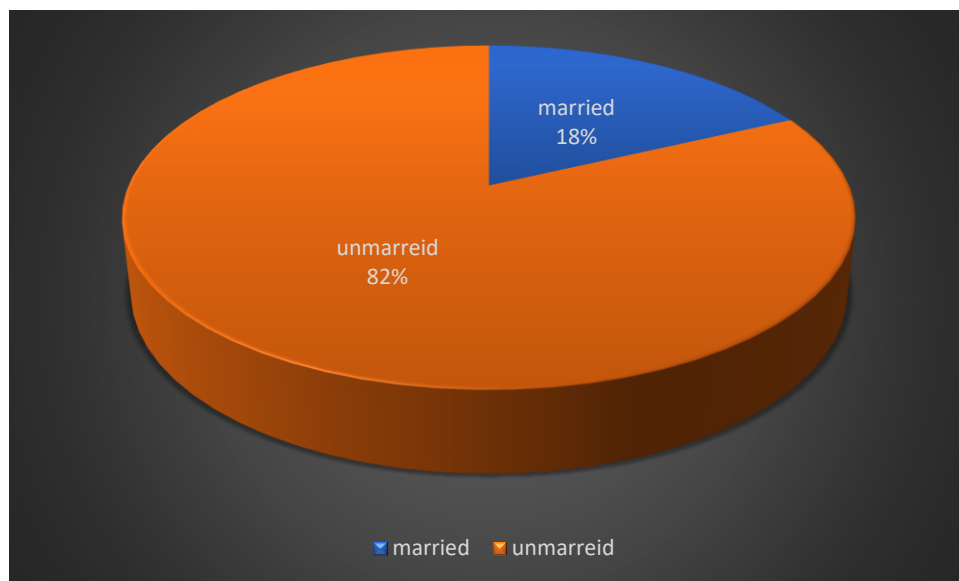


CHART 4.1.3 MARTIAL STATUS

TABLE 4.1.4 OCCUPATION

PARTICULARS	NO. OF. RESPONDENTS	PERCENTAGE
Student	43	43
Employed	46	46
Unemployed	9	9
others	1	1
TOTAL	100	100

SOURCE: PRIMARY DATA

INTERPRETATION:

From the above table is interpreted that the number of respondents is students 43%, employed is 47%, unemployed is 9% and others is 1%.

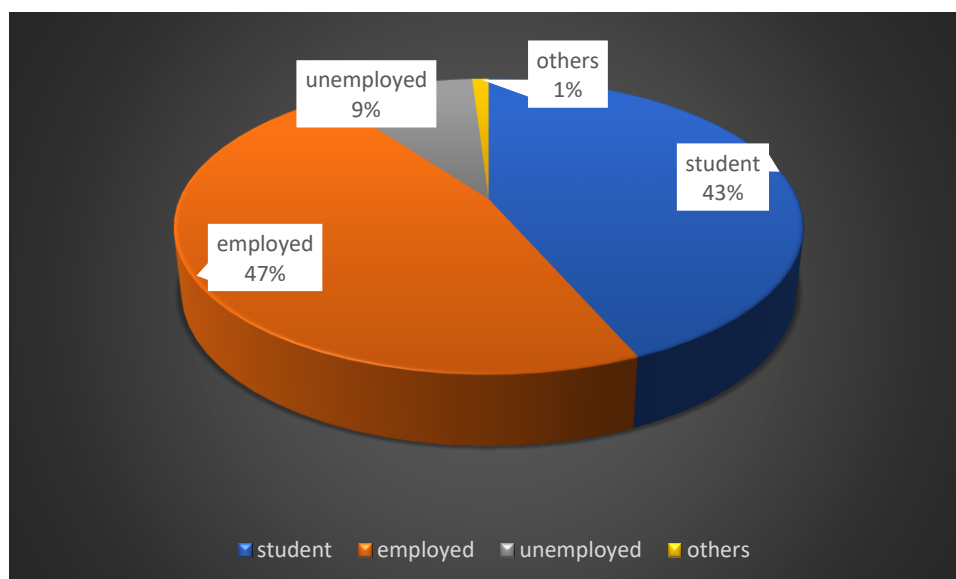


CHART 4.1.4 OCCUPATION

TABLE 4.1.5. EDUCATIONAL QUALIFICATION

PARTICULARS	NO. OF. RESPONDENTS	PERCENTAGE
High school	12	12
graduate	53	53
Post graduate	34	34
others	1	1
TOTAL	100	100

SOURCE: PRIMARY DATA

INTERPRETATION:

From the above table is interpreted that the number of respondents higher school is 12%, Graduate is 53%, post graduate is 34% and others is 1%.

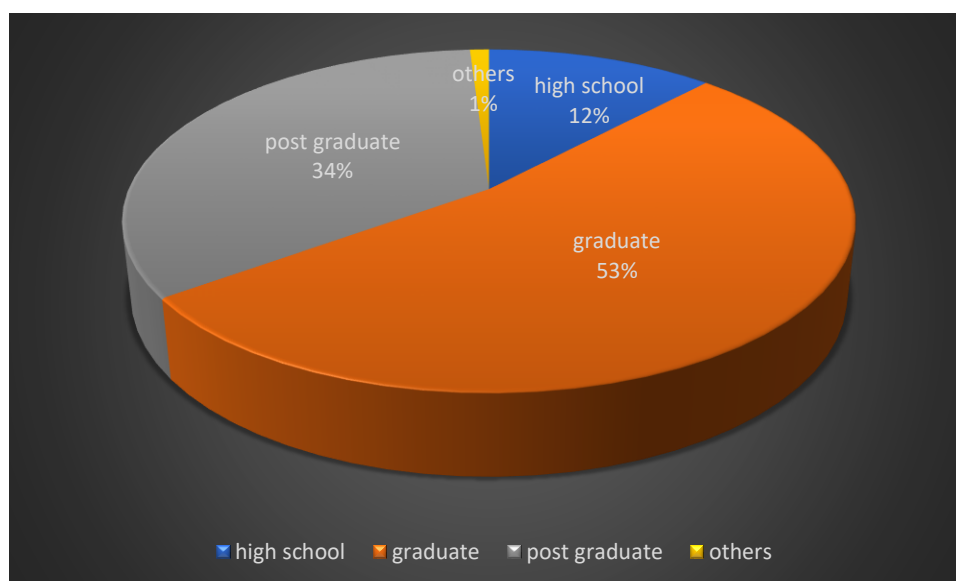


CHART 4.1.5. EDUCATIONAL QUALIFICATION

TABLE 4.1.6 HOW OFTEN DO YOU VISIT A SMALL RESTAURANT

PARTICULARS	NO. OF. RESPONDENT	PERCENTAGE
always	20	20
sometimes	58	58
rare	19	19
never	3	3
total	100	100

SOURCE: PRIMARY DATA

INTERPRETATION:

From the above table is interpreted that the number of respondents always is 20%

Sometimes is 58%, rare is 19%, never is 3%

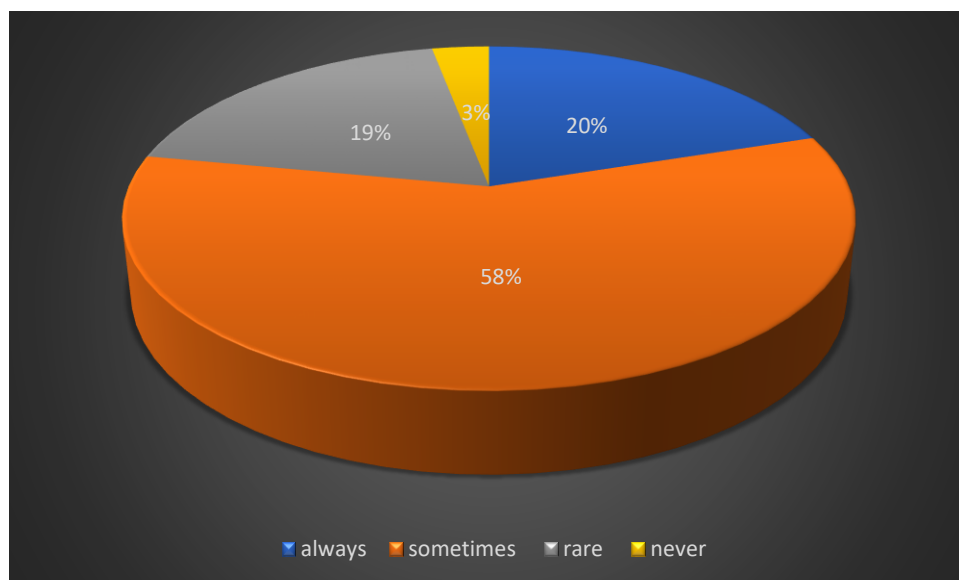


CHART 4.1.6. HOW OFTEN DO YOU VISIT A SMALL RESTAURANTS

TABLE 4.1.7 DO YOU LIKE TO BUY FOODS OFTEN IN SMALL RESTAURANTS

PARTICULARS	NO. OF. RESPONDENTS	PERCENTAGE
Strongly agree	21	21
agree	67	67
disagree	10	10
Strongly disagree	2	2
total	100	100

SOURCE: PRIMARY DATA

INTERPRETATION:

Form the above table is interpreted that the number of respondents for strongly agree is 21%, Agree is 67%, disagree is 10%, strongly disagree is 2%.

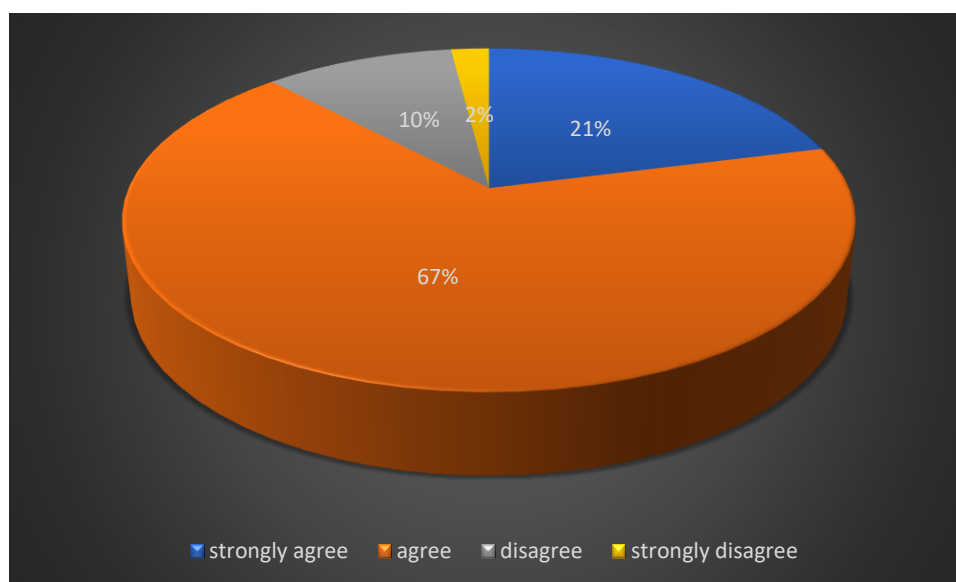


CHART 4.1.7 DO YOU LIKE TO BUY FOODS OFTEN IN SMALL RESTAURANTS

TABLE 4.1.8 DO YOU PURCHASE BULK ORDERS OF FOOD IN SMALL RESTAURANTS

PARTICULARS	NO. OF. RESPONDENTS	PERCENTAGE
Strongly agree	22	22
agree	55	55
disagree	16	16
Strongly disagree	7	7
total	100	100

SOURCE: PRIMARY DATA

INTERPRETATION:

From the above table is interpreted that the number of respondents for strongly agree is 22%, Agree is 55%, disagree is 16%, strongly disagree is 7%.

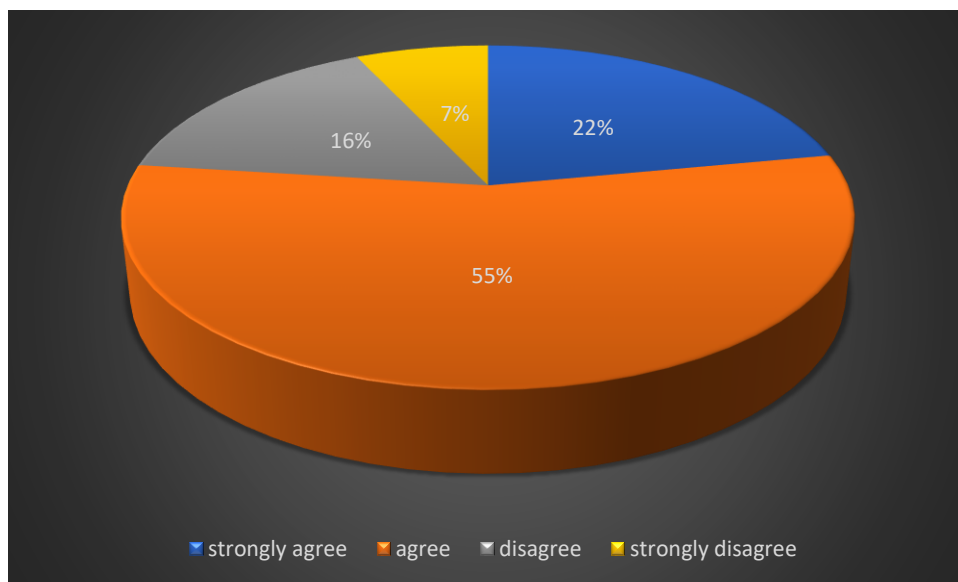


CHART 4.1.8 DO YOU PURCHASE BULK ORDERS OF FOOD IN SMALL RESTAURANTS

TABLE 4.1.9 HOW DO YOU CHOOSE A SMALL RESTAURANT TO DINE IN

PARTICULARS	NO. OF. RESPONDENTS	PERCENTAGE
quality	52	26
price	71	36
quantity	44	22
ambience	32	16
total	100	100

SOURCE: PRIMARY DATA

INTERPRETATION:

From the above table is interpreted that the number of respondents for quality is 26%, Price is 36%, quantity is 22%, ambience16%.

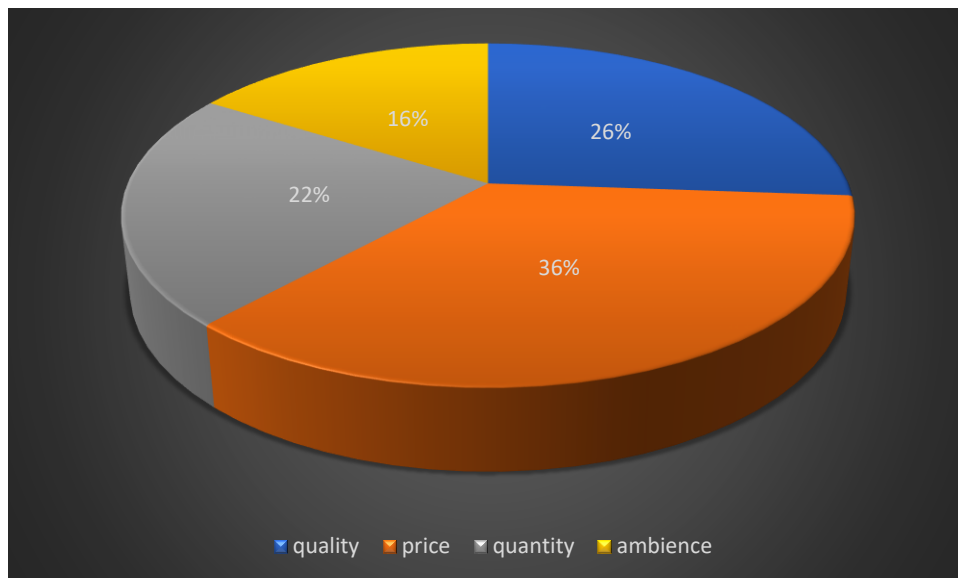


CHART 4.1.9 HOW DO YOU CHOOSE A SMALL RESTAURANT TO DINE IN

TABLE 4.1.10 WHAT FEATURES WOULD YOU LOOK FOR WHEN YOU DINE IN, IN A SMALL RESTAURANT

PARTICULARS	NO. OF. RESPONDENTS	PERCENTAGE
cleanliness	68	32
ambience	40	19
quality	52	24
price	53	25
total	100	100

SOURCE: PRIMARY DATA

INTERPRETATION:

From the above table is interpreted that the number of respondents for cleanliness 32%, Ambience is 19%, quality is 24%, price is 25%

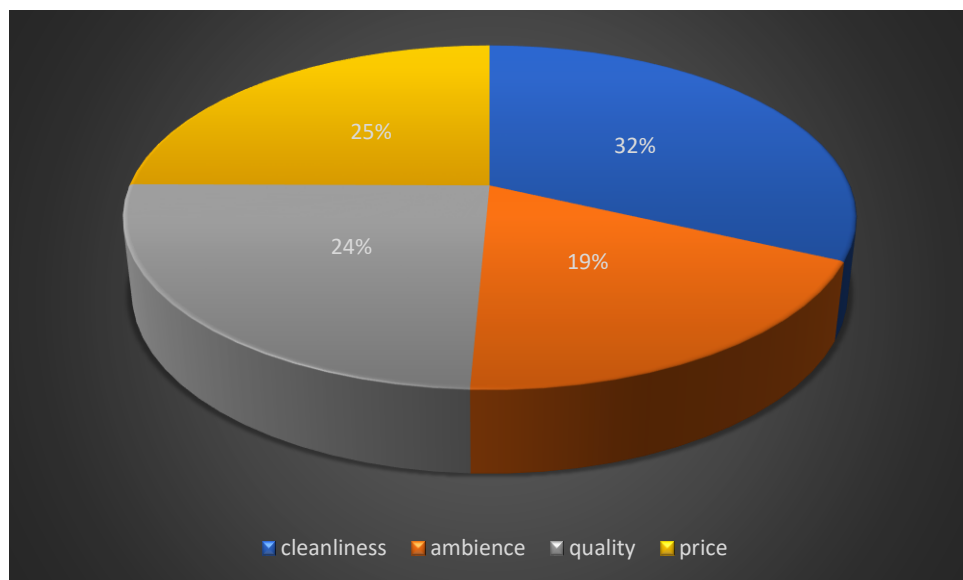


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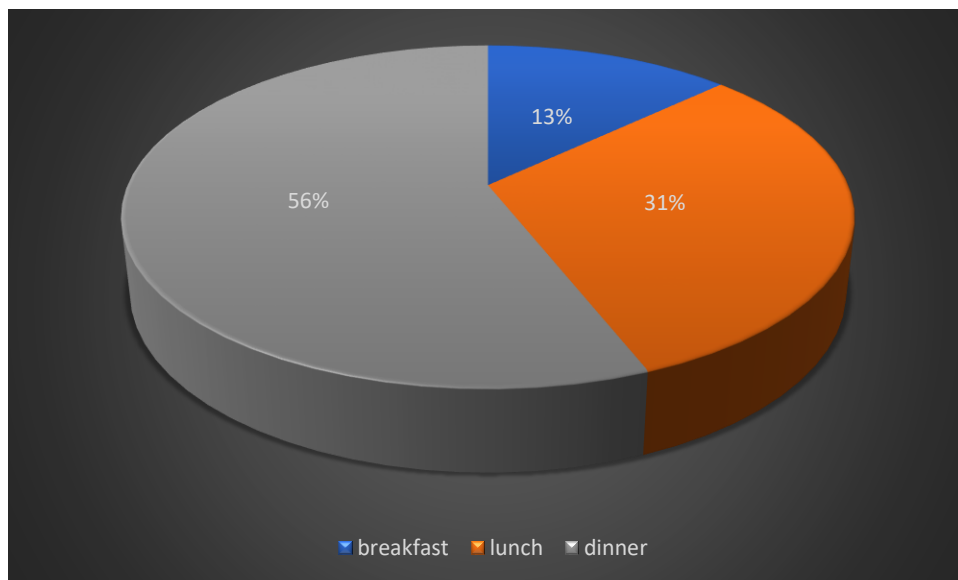
**TABLE 4.1.11 WHICH MEAL WOULD YOU PREFER TO HAVE IN
SMALL RESTAURANT**

PARTICULARS	NO. OF. RESPONDENTS	PERCENTAGE
BREAKFAST	13	13
LUNCH	31	31
DINNER	56	56
TOTAL	100	100

SOURCE: PRIMARY DATA

INTERPRETATION:

From the above table is interpreted that the number of respondents breakfast is 13%, Lunch is 31%, dinner is 56%.



**CHART 4.1.11 WHICH MEAL WOULD YOU PREFER TO HAVE IN
SMALL RESTAURANT**

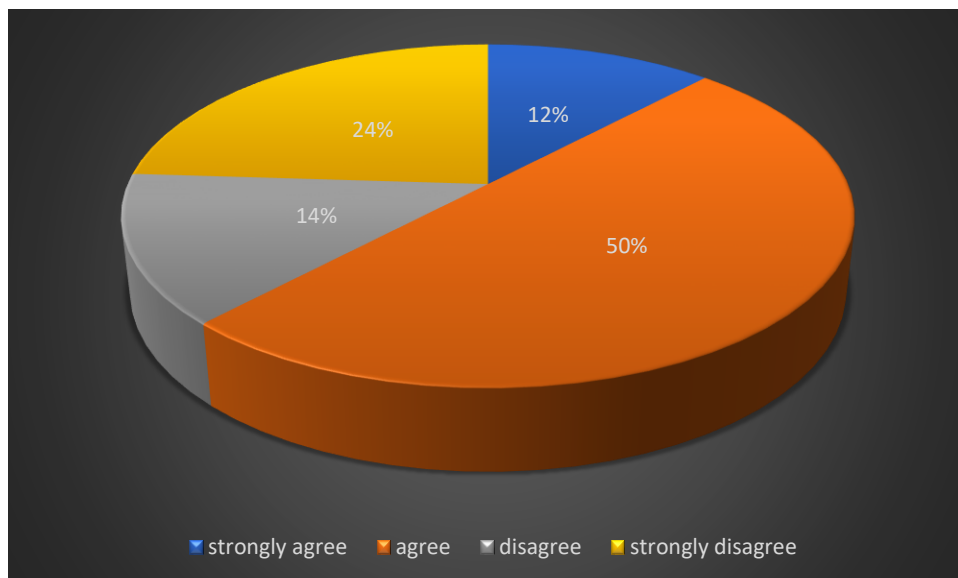
**TABLE 4.1.12 WOULD YOU FREQUENTLY GO TO THE
RESTAURANT WHERE THE COST OF FOOD IS HIGH**

PARTICULARS	NO. OF. RESPONDENTS	PERCENTAGE
Strongly agree	12	12
agree	50	50
disagree	14	14
Strongly disagree	24	24
total	100	100

SOURCE: PRIMARY DATA

INTERPRETATION:

From the above table is interpreted that the number of respondents for strongly agree is 12%, Agree is 50%, disagree 14%, strongly disagree 24%.



**CHART 4.1.12 WOULD YOU FREQUENTLY GO TO THE
RESTAURANT WHERE THE COST OF FOOD IS HIGH**

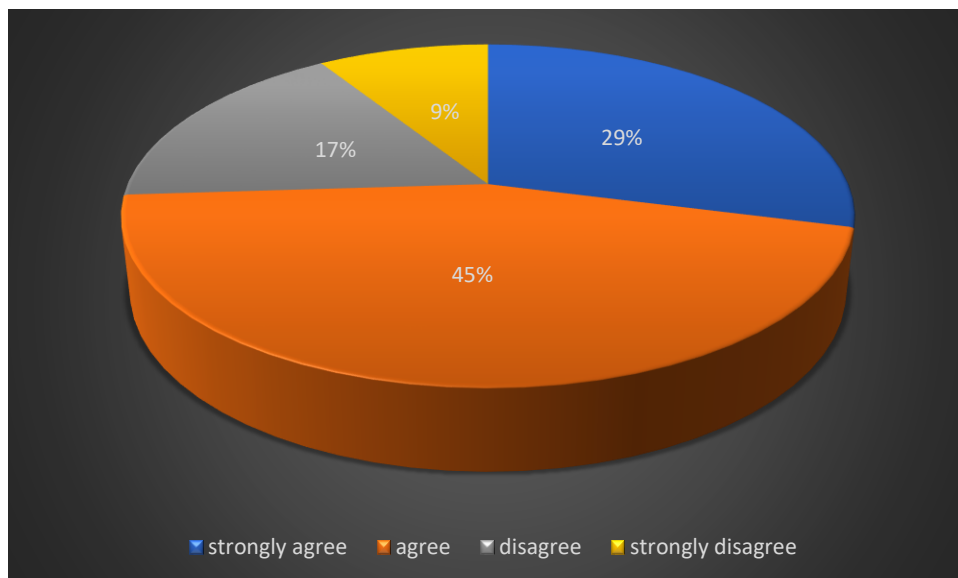
**TABLE 4.1.13 WOULD YOU TRAVEL LONG TO HAVE YOUR
SIGNATURE DISH IN A SMALL RESTAURANT**

PARTICULARS	NO. OF. RESPONDENTS	PERCENTAGE
Strongly agree	29	29
agree	45	45
disagree	17	17
Strongly disagree	9	9
total	100	100

SOURCE: PRIMARY DATA

INTERPRETATION:

From the above table is interpreted that the number of respondents strongly agree is 29%, Agree is 45%, disagree is 17%, strongly disagree is 9%



**CHART 4.1.13 WOULD YOU TRAVEL LONG TO HAVE YOUR
SIGNATURE DISH IN A SMALL RESTAURANT**

TABLE 4.1.14 WILL YOU CHANGE THE LOYALTY OF YOUR OLD RESTAURANT, WHEN YOU FIND A NEW RESTAURANT WITH LOTS OF VARITIES OF FOOD

PARTICULARS	NO. OF. RESPONDENTS	PERCENTAGE
Strongly agree	17	17
agree	60	60
disagree	15	15
Strongly disagree	8	8
total	100	100

SOURCE: PRIMARY DATA

INTERPRETATION:

From the above table is interpreted that the number of respondents strongly agree is 17%, Agree is 60%, disagree is 15%, strongly disagree is 8%.

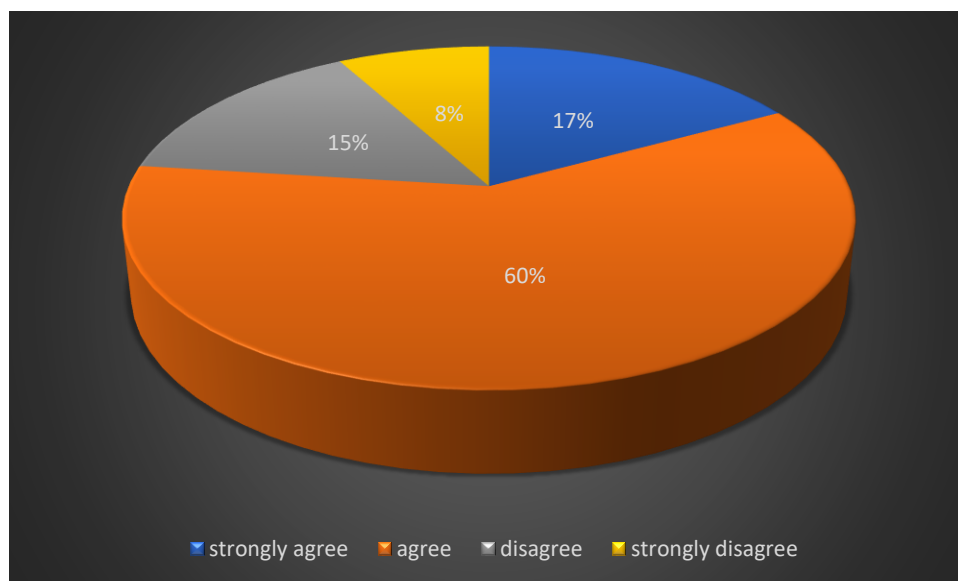


CHART 4.1.14 WILL YOU CHANGE THE LOYALTY OF YOUR OLD RESTAURANT, WHEN YOU FIND A NEW RESTAURANT WITH LOTS OF VARITIES OF FOOD

TABLE 4.1.15 WHEN A TASTIEST DISH IS PREPARED IN SMALL RESTAURANT, WOULD YOU RECOMMEND IT TO OTHERS

PARTICULARS	NO.OF. RESPONDENTS	PERCENTAGE
Strongly agree	48	48
agree	44	44
disagree	4	4
Strongly disagree	4	4
total	100	100

SOURCE: PRIMARY DATA

INTERPRETATION:

From the above table is interpreted that the number of respondents strongly agree is 44%, Agree is 48%, disagree is 4%, strongly disagree is 4%.

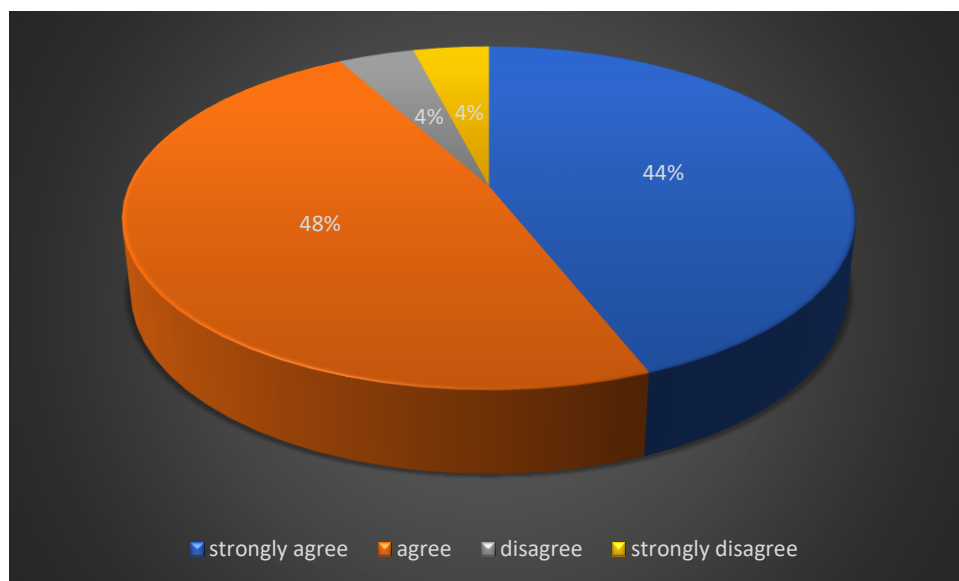


CHART 4.1.15 WHEN A TASTIEST DISH IS PREPARED IN SMALL RESTAURANT, WOULD YOU RECOMMEND IT TO OTHERS

4.1 CHI-SQUARE TEST – TO TEST WHETHER THERE IS OR THERE IS NO SIGNIFICANT DIFFERENCE BETWEEN THE GENDER IN REGARD TO HOW OFTEN DO YOU VISIT A SMALL RESTAURANT

Null Hypothesis (H_0) - There is no significant difference between the gender in regard to how often do you visit a small restaurant

Alternative Hypothesis (H_1) - There is significant difference between the gender in regard to how often do you visit a small restaurant

Case Processing Summary

	Valid		Cases Missing		Total	
	N	Percent	N	Percent	N	Percent
gen * visit	100	100.0%	0	0.0%	100	100.0%

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	16.140 ^a	12	.185
Likelihood Ratio	17.230	12	.141
Linear-by-Linear Association	2.003	1	.157
N of Valid Cases	100		

a. 12 cells (60.0%) have expected count less than 5. The minimum expected count is .03.

SOURCE: PRIMARY DATA

INTERPRETATION

P value is 0.185, which is below 0.05 so H_1 is accepted and H_0 is rejected. So, there is significant difference between gender in regard to how often do you visit a small restaurant.

4.2 ANOVA – TO TEST WHETHER THERE IS OR THERE IS NO SIGNIFICANT DIFFERENCE BETWEEN THE OCCUPATION VS DO YOU LIKE TO BUY FOODS OFTEN IN SMALL RESTAURANT

Null Hypothesis (H0) - There is no significant difference between the occupation vs do you like to buy foods often in small restaurant.

Alternate Hypothesis (H1) - There is significant difference between the occupation vs do you like to buy foods often in small restaurant.

ANOVA

occ

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.657	3	.219	.432	.731
Within Groups	48.653	96	.507		
Total	49.310	99			

SOURCE: PRIMARY DATA

INTERPRETATION

P value 0.731, which is above 0.05 therefore, there is no significant difference between the occupation vs do you like to buy foods often in small restaurant.

4.3 CORRELATIONS - TO TEST WHETHER THERE IS OR THERE IS NO CORRELATION BETWEEN HOW DO YOU CHOOSE A SMALL RESTAURANT TO DINE IN VS WHAT FEATURES WOULD YOU LOOK FOR WHEN YOU DINE IN, IN A SMALL RESTAURANT

Null Hypothesis (H0) - There is no correlation between how do you choose a small restaurant to dine in vs what features would you look for when you dine in, in a small restaurant

Alternate Hypothesis (H1) - There is correlation between how do you choose a small restaurant to dine in vs what features would you look for when you dine in, in a small restaurant

Correlations			
		dining	features
dining	Pearson Correlation	1	-.068
	Sig. (2-tailed)		.503
	N	100	100
features	Pearson Correlation	-.068	1
	Sig. (2-tailed)	.503	
	N	100	100

SOURCE: PRIMARY DATA

INTERPRETATION P value is 0.503 which is above 0.05. So H0 is accepted and H1 is rejected There is no positive correlation between how do you choose a small restaurant to dine in vs what features would you look for when you dine in, in a small restaurant.

CHAPTER – 5

5.1 FINDINGS AND SUGGESTIONS

- Majority of 54% respondents is male.
- Majority (72%) of the respondents falls in the age category is 18-25 years.
- The majority of (82%) respondents is unmarried
- The majority of (47%) respondents is employed
- The majority of (53%) respondents are graduate
- The majority of 58% respondents sometimes they visit restaurant.
- The majority of (67%) respondents agree to often buy foods in small restaurants
- The majority of (55%) respondents agree to buy bulk orders in small restaurants
- The majority of (36%) respondents have chosen price to dine in a small restaurant
- The majority of 32% respondents would look cleanliness to dine in a restaurant
- The majority of 31% respondents would prefer to have dinner in small restaurant
- The majority of 50% respondents agree to frequently go for the high-cost restaurant.
- The majority (45%) of respondents agree to travel long to have their signature dish.
- The majority (60%) of respondents agree to change their loyalty of their old restaurants.
- The majority (48%) of respondents agree to recommend the small restaurants.

5.2 SUGGESTIONS:

- Developing the dinning and Hygiene and try to maintain a Good service while crowded
- Clean ambience
- The ambience can be made more creative
- Advertise and giving offers
- best performance is taste
- clean with good quality
- Cleanliness and quality
- Clean ambience and healthy food
- Should have clean ambience
- Whether big or small, quality, quantity and ambience matter for a restaurant business to run. When all these amenities are contained in a small restaurant it will definitely be sustainable.
- There can try many different types of varieties in food
- I prefer more taste with high quantity with less budget
- Make your daily customers feel happy and make offers and make a daily special food to attract customers and make them to come again to check out the next day's special
- Developing the dinning and Hygiene and try to maintain a Good service while crowded

CHAPTER - 6

6.1. CONCLUSION:

On the basis of above mentioned studied, it is a simple model but very powerful tool for the business. It plays vital role in hospitality and tourism industry. By applying this tool, it helps to determine the position of business in the market. It helps to declare the strengths and weakness of the business which is very important for the business. In the hospitality and the tourism business if they know their weakness towards the servicing which they are providing to the customer. They can find out their weakness and try to implement by taking the best decision. And the most important part in the hospitality industry is providing the good services to the customers.

ANNEXURE – 1
QUESTIONNAIRE

Personal details:

1. Name:

Gender:

a) Male b) Female

Age:

a) 18-25 years b) 26-30 years c) 31-35 years d) 36 and above

Marital status:

a) Married b) Unmarried

education:

a) High school b) graduate c) post graduate d) others

Occupation:

a) student b) employed c) unemployed d) others

2. Do you like to buy foods often in small restaurant

a) Strongly agree b) agree c) disagree d) strongly disagree

3. For what reason would you choose a small restaurant:

4. Do you purchase bulk orders of food in small restaurants

a) Strongly agree b) agree c) strongly disagree d) disagree

5. how do you choose a small restaurant to dine in :

a) quality b) price c) quantity d) ambience

6. what features would you look for when you dine in, in a small restaurant.
a) cleanliness b) ambience c) quality d) price
7. which meal would you prefer to have in small restaurant
a) breakfast b) lunch c) dinner
8. would you frequently go to the restaurant where the Cost of the food is high
a) strongly agree b) agree c) strongly disagree d) disagree
9. would you travel long to have your signature dish in a small restaurant
a) strongly agree b) agree c) disagree d) strongly disagree
10. have you ever switched restaurants before ,if yes why?
11. will you change the loyalty of your old restaurant, When you find a new restaurant, with lots of foods with various varieties of food?

a) strongly agree b) agree c) strongly disagree d) disagree
12. when tasteiest dish is prepared in a small restaurant , would you recommend the small restaurant to others?
a) strongly agree b) agree c) strongly disagree d) disagree
13. drop your suggestions for the development and sustainability of the small restaurants?

ANNEXURE – 2

ARTICLE – FULL PAPER

A STUDY ON THE IMPACT OF THE BUYER POWER IN SMALL RESTAURANTS

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Infant franclin, MBA student, school of management studied , Sathyabama University, Chennai

ABSTARCT: Buyer power refers to a customer's ability to reduce prices, improve quality, or generally play industry participants off one another.” Buyer power is impacted by bargaining leverage, the measure of leverage buyers has relative to the target industry players, and price sensitivity, the measure of buyer sensitivity to changes in price. Buyer power is impacted by bargaining leverage, the measure of leverage buyers has relative to the target industry players, and price sensitivity, the measure of buyer sensitivity to changes in price. We further conclude that, under certain conditions, powerful buyers may be able to prevent higher prices from a merger of suppliers. Once again, empirical tests should guide the evaluation of this merger defence. The conventional antitrust wisdom is that buyer side market power or monopsony is so unusual and so rarely anticompetitive that it should not merit more than a scholarly afterthought. Moreover, these brief mentions typically say it is essentially the mirror image of seller power or that, while seller-side power is suspect since it leads to higher consumer prices, buyer-side power is usually benign, because the public should not care which layer of a distribution channel gets any potential savings that can arise. This short article discusses how buyer power can be anticompetitive. It also discusses how buyer power or monopsony power is not the reciprocal of seller power or monopoly power, and summarizes an American Antitrust Institute conference on the subject. the food industry comprises a complex network of activities related to the supply, consumption, and catering of food products and services. It plays a significant role in the economic development of any nation. It is one of the world’s most dynamic economic sectors. This paper provides a brief introduction to food industry

Key words- buyer power, price sensitivity, substitution of restaurant

INTRODUCTION

Food is an essential part of our lives. The food industry is the basic and important to every nation. It is one of the seventeen national critical sectors of US economy. It plays a crucial role in public health, food safety, food security, social development, and nutrition. Product quality, health, and sanitation issues are major concerns in the food industry. The food industry covers diverse activities including food supply, production, harvesting, processing, packaging, transportation, distribution, consumption, and disposal. The development of the food industry began in the early 1900s. People visit restaurants on various occasions. Some like celebrating birthdays there, while others consider these places as the best ones for business meetings. Couples in love also go out on romantic dates there. Many individuals visit restaurants just to have a delicious meal, especially those who don't like cooking. A lot of dishes are quite challenging to cook at home, without proficiency in the culinary art. Even if you are a good cook, you can still take a break from buying food, preparing a lunch and washing up. In fact, eating out is not only convenient, but also gives an opportunity to get fresh ideas about the dishes to cook at home. The guest has to choose a sustainable restaurant and a sustainable menu. And, of course, the product and the menu have too actually been sustainable. A motivated restaurant owner who mistakenly believes he/she is making sustainable dishes, and/or a guest who mistakenly believes he/she is enjoying a sustainable menu: neither of these delivers any effective increase in sustainability. Whether or not a restaurant owner is capable of providing a sustainable menu or the guest is willing to choose it is therefore partly determined by whether or not the menu in question is in fact sustainable. Food is an essential part of our lives. The food industry is the basic and important to every nation. It is one of the seventeen national critical sectors of US economy. It plays a crucial role in public health, food safety, food security, social development, and nutrition. Product quality, health, and sanitation issues are major concerns in the food industry.

OBJECTIVES OF THE STUDY

- The primary objective of this study is to observe the buyer power in small restaurants. And the sustainability of the small restaurant
- To observe the commitment of customers towards small restaurant
- To observe the price sensitivity of the buyer

- It explains the expectation of the buyer towards small restaurant.

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REVIEWS OF PAST STUDIES

Galbraith's (1952) countervailing-power hypothesis arguing that large buyers can extract price concessions from suppliers, which then leads to a partial pass-through of these savings onto consumers in form of lower prices.

Chen (2003) in a model in which a supplier sells a larger quantity through fringe retailers if large retailers have more bargaining power. The quantity increase then leads to a fall in final-consumer prices. Motivated by the increasing downstream concentration levels in many industries over the past years, several papers analyzed the perils of such concentration when explicitly taking the wholesale stage into account, thereby challenging the countervailing hypothesis.

Marx and Shaffer (2007), analyzes the direct effects of buyer power by comparing buyer power with supplier power. In contrast to our paper, their focus is on the contractual terms that retailers are able to offer. Specifically, they consider the effects of a three-part tariff (a slotting allowance in addition to a two-part tariff) on retailer exclusion. They find that slotting allowances may induce the supplier to refuse to trade with smaller retailers.

Miklós-Thal et al. (2011) and Rey and Whinston (2013) build upon the exclusion result. They show that contract offers that are contingent on the supplier's acceptance decision involve equilibria in which the supplier deals with all retailers and industry profits are maximized. Finally, our paper also relates to the literature on competition between intermediaries.

Snyder (1999) and Inderst and Wey (2007) show that larger retailers can negotiate lower prices if suppliers have convex costs. The reason is that smaller retailers negotiate more 'on the margin', where average unit costs are higher, implying that smaller retailers suffer from retail mergers.

Yanelle (1989) verbally explains that the outcome of intermediaries competing in prices for buyers and sellers cannot resemble the (perfectly competitive) Walrasian outcome. We prove the existence of a mixed-strategy equilibrium that exactly formalizes this guess.

Kreps and Scheinkman (1983). He finds that often no subgame perfect Nash equilibrium—not even in mixed strategies—exists. This sharply contrasts with our finding, that with perfect Bertrand competition downstream, a mixed strategy equilibrium always exists resulting in buyer prices above the Walrasian outcome.

METHODOLOGY

Food is an essential part of our lives. The food industry is the basic and important to every nation. It plays a crucial role in public health, food safety, food security, social development, and nutrition. Product quality, health, and sanitation issues are major concerns in the food industry the objective of this study is to observe the bargaining power of the buyer. A research design is considered as the framework or plan for a study that guides as well as helps the data collection and analysis of data. Descriptive research is a study designed to depict the participants in an accurate way. More simply put, descriptive research is all about describing people who take part in the study. Primary data, by contrast, are collected by the investigator conducting the research, Secondary data refers to data that was collected by someone other than the user. Common sources of secondary data for Journal, Books, Websites, organisational records and data that was originally collected for other research purposes. The period of study is from January 2021 to March 2021 which is a three months study. The

analysis of the present study has been carried out based on the information has collected from the buyers who visit small restaurants. Due to time constraint only 100 numbers of respondents were considered. The result fully depends on the information given by the respondents which may be based. Secondary data refers to data that was collected by someone other than the user. Common sources of secondary data for Journal, Books, Websites, organisational records and data that was originally collected for other research purposes. There are two broad types of questions open ended or open questions, and closed ended or closed questions. Open questions enable respondents to answer as they wish. Closed questions provide respondents with a list of options from which they choose.

DISCUSSIONS

On completing the study of chi-square test, ANOVA and correlation test were done to find out the relation and difference between variables to prove the attained results statistically.

HYPOTHESIS 1:

CHI-SQUARE TEST – TO TEST WHETHER THERE IS OR THERE IS NO SIGNIFICANT DIFFERENCE BETWEEN THE GENDER IN REGARD TO HOW OFTEN DO YOU VISIT A SMALL RESTAURANT

Null Hypothesis (H_0) - There is no significant difference between the gender in regard to how often do you visit a small restaurant

Alternative Hypothesis (H_1) - There is significant difference between the gender in regard to how often do you visit a small restaurant

Case Processing Summary

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Chi-Square Tests

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a. 12 cells (60.0%) have expected count less than 5. The minimum expected count is .03.

INTERPRETATION

P value is 0.185, which is below 0.05 so H1 is accepted and H0 is rejected. So, there is significant difference between gender in regard to how often do you visit a small restaurant.

HYPOTHESIS 2:

ANOVA – TO TEST WHETHER THERE IS OR THERE IS NO SIGNIFICANT DIFFERENCE BETWEEN THE OCCUPATION VS DO YOU LIKE TO BUY FOODS OFTEN IN SMALL RESTAURANT

Null Hypothesis (H0) - There is no significant difference between the occupation vs do you like to buy foods often in small restaurant.

Alternate Hypothesis (H1) - There is significant difference between the occupation vs do you like to buy foods often in small restaurant.

ANOVA

OCC

	Sum of Squares	df	Mean Square	F	Sig.
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Within Groups	48.653	96	.507		
Total	49.310	99			

INTERPRETATION

P value 0.731, which is above 0.05 therefore, there is no significant difference between the occupation vs do you like to buy foods often in small restaurant.

HYPOTHESIS 3:

CORRELATIONS - TO TEST WHETHER THERE IS OR THERE IS NO CORRELATION BETWEEN HOW DO YOU CHOOSE A SMALL RESTAURANT TO DINE IN VS WHAT FEATURES WOULD YOU LOOK FOR WHEN YOU DINE IN, IN A SMALL RESTAURANT

Null Hypothesis (H0) - There is no correlation between how do you choose a small restaurant to dine in vs what features would you look for when you dine in, in a small restaurant

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Correlations

		dining	features
dining	Pearson Correlation	1	-.068
	Sig. (2-tailed)		.503
	N	100	100
features	Pearson Correlation	-.068	1
	Sig. (2-tailed)	.503	
	N	100	100

INTERPRETATION

P value is 0.503 which is above 0.05. So H0 is accepted and H1 is rejected

There is no positive correlation between how do you choose a small restaurant to dine in vs what features would you look for when you dine in, in a small restaurant.

FINDINGS

- P value is 0.185, which is below 0.05 so H1 is accepted and H0 is rejected. So, there is significant difference between gender in regard to how often do you visit a small restaurant.
- P value 0.731, which is above 0.05 therefore, there is no significant difference between the occupation vs do you like to buy foods often in small restaurant.
- P value is 0.503 which is above 0.05. So H0 is accepted and H1 is rejected There is no positive correlation between how do you choose a small restaurant to dine in vs what features would you look for when you dine in, in a small restaurant.

CONCLUSION:

On the basis of above mentioned studied, it is a simple model but very powerful tool for the business. It plays vital role in hospitality and tourism industry. By applying this tool, it helps to determine the position of business in the market. It helps to declare the strengths and weakness of the business which is very important for the business. In the hospitality and the tourism business if they know their weakness towards the servicing which they are providing to the customer. They can find out their weakness and try to implement by taking the best decision. And the most important part in the hospitality industry is providing the good services to the customers

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