FACTORS INFLUENCING DINERS' DECISION TO CHOOSE KHAO LAO RESTAURANT IN TAN PHU DISTRICT, HO CHI MINH CITY

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ABSTRACT

The main purpose of this study is to explore the factors that influence diners' decision to choose Khao Lao restaurant in Tan Phu District, Ho Chi Minh City. The results of quantitative analysis using SPSS 20.0 software from 246 customers who have used food and beverage services at the restaurant show that six factors – hygiene, reliability, service capacity, price, food quality, and brand – have a significant impact on diners' restaurant choice decision. The influence level of these factors is reflected in the regression coefficients (β) and is ranked from strongest to weakest as follows: reliability ($\beta = 0.367$), brand ($\beta = 0.271$), food quality ($\beta = 0.161$), service capacity ($\beta = 0.149$), hygiene ($\beta = 0.145$), and price ($\beta = 0.108$). In addition, some managerial implications are also proposed in this study.

Keywords: Restaurant choice decision, customer behavior, service quality, brand image, hygiene.

1. INTRODUCTION

In the context of the restaurant market in Vietnam in general and Ho Chi Minh City in particular, the competition between restaurants is becoming fierce. Each restaurant must meet the increasing needs of diners with many selection criteria such as food quality, price, service space, safety and hygiene, etc. Therefore, understanding the factors that affect customers' decision to choose a restaurant has become an urgent need for businesses to build appropriate business and marketing strategies. According to previous studies, customers who visit restaurants often appreciate the quality of the food (70% of diners consider this the most important factor) and the price [1], [2]. In addition, the variety of menus, restaurant space, and service quality are also carefully considered by customers [3], [4]. Factors such as facilities and favorable location also play an important role in promoting the decision to choose a restaurant [5]. Meanwhile, in Ho Chi Minh City and Tan Phu District, there are many new culinary options, in-depth research on the restaurant selection behavior of diners – especially Khao Lao restaurant – will help managers better understand the psychology and desires of customers in the current period of fierce competition. However, few studies have specifically examined diners' restaurant choice in Tan Phu District or focused on Khao Lao, leaving a research gap. This study therefore addresses an important need by investigating the key factors influencing customer decisions in this context, which is crucial for devising effective competitive strategies.

2. THEORETICAL BACKGROUND

2.1. Overview of relevant studies

Several national and international studies have identified groups of factors that influence restaurant selection decisions. To indicate that more than 70% of customers consider food quality and price to be the two most important factors when choosing a restaurant [1], [2]. At the same time, they also emphasize the variety of dishes, restaurant space, and service quality as criteria to be taken into account in the decision-making process [1], [2], [3], [4]. In addition, overseas studies show that the facilities and location of the restaurant are important factors that help the restaurant stand out in the minds of customers [5].

Domestic research has noted similar factors. For example, Mai and Cuc surveyed consumers in Ho Chi Minh City on the decision to choose a fast food store and identified 8 main factors influencing the decision, including: Food, Hygiene, Location, Promotion, Employees, Brand, Space, and Experience value [4]. The results show that food quality is the most impactful factor among these. Similarly, Than and Tran researched the Zumstart restaurant chain in Vietnam and found 5 positive factors affecting the choice decision: Reliability, Promotion, Price, Food Quality, and Tangible Factors [6]. This result shows that reliability (accuracy and consistency of service) and food quality hold an important position in customer psychology. In addition, the study by Putri et al. emphasizes the essential role of restaurant hygiene as a basic condition to ensure food safety and health for customers, thereby influencing trust and choice decisions [7].

In summary, previous studies have mentioned many factors such as food quality, price, hygiene, space, service quality, brand, reliability, employees, etc. as the main factors influencing restaurant selection behavior [1], [2], [3], [4], [5]. Based on these studies, the project implements a research model with 6 independent factors including Hygiene, Reliability, Service Capacity, Price, Food Quality and Brand, and the dependent variable is the decision to choose Khao Lao restaurant. These six factors were chosen as they are consistently highlighted in previous research as key criteria, while other factors (such as location or promotions) were not included due to the focus on a single restaurant with a fixed location and stable offerings, making those factors less applicable in this study.

2.2. Theoretical basis

In marketing, the concept of consumer behavior is often analyzed through models such as the Rational Action Theory [8] or the Theory of Planned Behavior [9]. These theories suggest that personal psychological factors (attitudes, beliefs, social norms) have an influence on behavioral intentions [10]. Kotler and Keller present a 5-step purchase decision-making process: need recognition, information search, evaluation of alternatives, purchase decision, and post-purchase behavior . Applied to the restaurant sector, this implies that customers will compare various factors (food quality, price, service, brand, etc.) before choosing a place to eat [11]. Service quality studies (SERVQUAL) point to five main components: reliability, tangibles, assurance, empathy, and responsiveness. In the restaurant environment, "reliability" shows the ability to fulfill commitments on time and as advertised [12]. Research by Mai and Cuc also affirms that reliability is a key factor that makes customers feel secure and loyal to the restaurant [4]. A reliable restaurant will build credibility and create a competitive advantage. Meanwhile, "service capacity" reflects the quality of communication, speed, and service attitude of employees [13]. A friendly, professional service team increases satisfaction and the likelihood of customers coming back [4], [13]. Besides, food quality is often the most important factor in the culinary industry. Customers prefer restaurants with delicious,

attractive food [14]. Food quality includes taste, freshness, presentation, and variety of dishes [15], [16]. A diner is more likely to return and recommend others when the culinary experience at the restaurant is satisfactory [14]. Hygiene (food safety) also plays an essential role: if the restaurant ensures cleanliness from the dining area to the kitchen, customers will feel safer and have confidence in the quality of service [4], [7]. On the contrary, a restaurant that lacks hygiene can immediately lose the opportunity to attract customers, even if it has other advantages. The perceived price factor reflects the customer's perception of cost being commensurate with the value received [17]. Many studies show that price significantly influences restaurant selection decisions. In a competitive market, reasonable and transparent pricing helps create a comparative advantage, especially for price-sensitive customers [5], [6]. Finally, brand image is the sum of the values and impressions that customers associate with a restaurant [4], [18]. A strong brand brings confidence in quality and reliability, making it easier for customers to make decisions when there are many options [4], [18]. In summary, the study will focus on six key factors: hygiene, reliability, service capacity, price, food quality, and brand – as identified through the theoretical overview and previous works [1], [4], [12].

3. METHODOLOGY

3.1. Research methods

The project uses a mixed research method that combines both qualitative and quantitative approaches. Initially, qualitative research was conducted through a synthesis of theory and prior research, combined with expert consultation to build a preliminary research model and refine the measurement scales. Then, a preliminary quantitative survey with a small sample was performed to test the reliability of the questionnaire (via Cronbach's Alpha) and adjust the scale. During the formal study phase, data were collected through an online survey (Google Forms) from a sample of 246 customers who had actually dined at the Khao Lao restaurant in Tan Phu District. The collected data were processed with SPSS software and analyzed using statistical methods including descriptive statistics, reliability analysis (Cronbach's Alpha), exploratory factor analysis (EFA), Pearson correlation analysis, and multivariate regression to test the model and research hypotheses. Pearson's correlation analysis was conducted to examine the linear relationships among variables and to check for multicollinearity, confirming that all independent factors were positively correlated with the restaurant choice decision and that no inter-factor correlation was high enough to cause multicollinearity issues. From the results of the multivariate regression analysis, the influence of each factor on the decision to choose a restaurant was determined, thereby allowing the proposal of management implications to increase the competitiveness of Khao Lao restaurant in Tan Phu District.

3.2. Research model and research hypothesis

Based on the above theories and previous studies, the proposed research model includes six independent factors (as stated) that affect the decision to choose a restaurant, with the decision to choose Khao Lao restaurant as the dependent variable. The six factors were selected because they encompass the most critical criteria identified in prior research, while other factors (e.g., location or promotional programs) were excluded to narrow the scope to core factors relevant for Khao Lao's context (a single established restaurant with a fixed location and relatively stable promotion policy). The research hypotheses are formulated as follows: H1: Hygiene has a positive impact on the decision to choose Khao Lao restaurant.

H2: Reliability has a positive impact on the decision to choose Khao Lao restaurant.

H3: Service capacity has a positive impact on the decision to choose Khao Lao restaurant.

H4: Price has a positive impact on the decision to choose Khao Lao restaurant.

H5: Food quality has a positive impact on the decision to choose Khao Lao restaurant.

H6: Brand image has a positive impact on the decision to choose Khao Lao restaurant.
The general model (Figure 1) illustrates the above relationships: each factor is hypothesized to positively influence the customer's decision to choose the restaurant. The study uses survey methods and quantitative analysis to test these hypotheses.
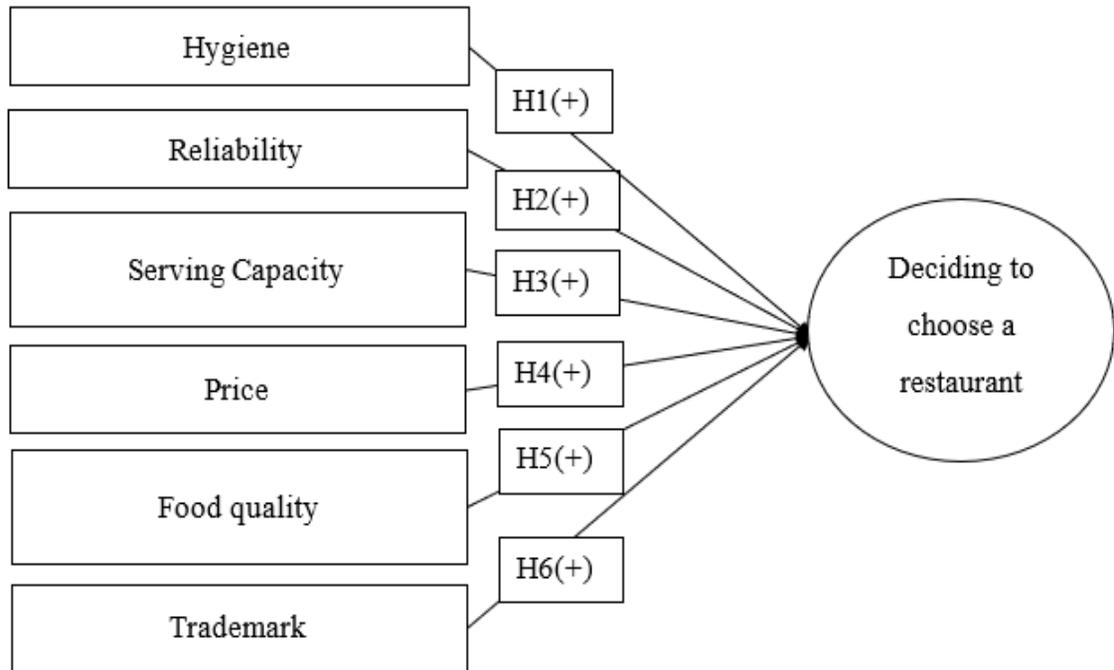

Figure 1. Proposed research model
Source: Authors' own elaboration

4. RESULTS AND DISCUSSION

4.1. Results

4.1.1. Overview and operation status of Khao Lao restaurant

Khao Lao Restaurant (Tan Phu District, Ho Chi Minh City) harmoniously combines modern architecture with Lao cultural imprints, providing a cozy and friendly space. The menu is diverse, including signature dishes such as Larb, Khao Soi, traditional Lao barbecue, and also Lao-Vietnamese fusion dishes; ingredients are always kept fresh and safe. In addition, the beverage selection – from Lao tea to innovative cocktails – and attentive service enhance the customer experience. The restaurant also actively organizes events and promotions to meet the diverse needs of different customer groups (from families and couples to large parties).

4.1.2. Business results analysis (2020–2023)

Table 1. Business performance of Khao Lao restaurant from 2020–2023

Year	Revenue (VND)	Profit (VND)	Avg. Customers/Month	Satisfaction Rate (%)	Number of Staff
2020	2,500,000,000	500,000,000	1,200	75	15
2021	3,000,000,000	600,000,000	1,500	78	16
2022	4,000,000,000	800,000,000	2,000	80	18
2023	5,500,000,000	1,200,000,000	2,800	85	20

Source: Accounting and Human Resources Department of Khao Lao Restaurant

Statistics from the Accounting and HR Department show that Khao Lao's revenue increased continuously from 2.5 billion VND (2020) to 5.5 billion VND (2023); the corresponding profit rose from 0.5 billion to 1.2 billion VND. The average number of visitors per month more than doubled (from 1,200 to 2,800), and the customer satisfaction rate improved from 75% to 85%. The staff size also expanded from 15 to 20 employees. These numbers indicate that the restaurant's ability to attract and retain customers, as well as manage costs, has been developing in a sustainable direction.

4.1.3. Results from quantitative research

The survey subjects were diners who have been to Khao Lao restaurant in Tan Phu District. After collecting data, the initial reliability test of the scales (Cronbach's Alpha) showed that all constructs achieved an Alpha value > 0.7, ensuring high reliability. The Kaiser-Meyer-Olkin measure was 0.85 and Bartlett's test of sphericity was significant ($p < 0.001$), confirming that the sample was adequate and factor analysis was appropriate. The exploratory factor analysis confirmed that the observed variables grouped into the 6 expected factors. Through multivariate linear regression analysis, the results show that all 6 proposed factors have a positive and statistically significant influence on the decision to choose Khao Lao restaurant (regression coefficients β ranging from 0.108 to 0.367, with p-values < 0.05). In particular, the level of influence (β) of each factor in order from high to low is: reliability (β = 0.367, $p < 0.001$), brand (β = 0.271, $p < 0.001$), food quality (β = 0.161, p = 0.001), service capacity (β = 0.149, p = 0.002), hygiene (β = 0.145, p = 0.003), and price (β = 0.108, p = 0.023). All H1–H6 hypotheses are accepted. Table 2 summarizes the hypothesis testing results, showing that the p-value for each regression coefficient is less than 0.05, which confirms the positive influence of the factors on the decision to choose the restaurant.

Table 2. Summary of research hypothesis testing results

Hypothesis	Content	Beta	p-value	Conclude
H1	Hygiene has the same impact on the decision to choose Khao Lao restaurant	0.145	0.003	Accept
H2	Reliability has the same impact on the decision to choose Khao Lao restaurant	0.367	0.000	Accept

H3	Service capacity has the same impact on the decision to choose Khao Lao restaurant	0.149	0.002	Accept
H4	Price has the same impact on the decision to choose Khao Lao restaurant	0.108	0.023	Accept
H5	Food quality has the same impact on the decision to choose Khao Lao restaurant	0.161	0.001	Accept
H6	The brand has the same impact on the decision to choose Khao Lao restaurant	0.271	0.000	Accept

Source: Analysis results from SPSS software

4.2. Discussion

Overall, the findings confirm that the factors identified by prior studies are also significant in the case of Khao Lao restaurant. The discussion below compares the influence of each factor with existing literature and elaborates on how these results fit into or extend current understanding. The results show that reliability is the most important factor for customers of Khao Lao restaurant. When the restaurant consistently delivers on its commitments to quality and service time, customers feel secure and are more likely to come back. This is similar to the SERVQUAL findings [12] and the results of Mai & Cuc [4], which show that consistency in service is the basis for creating customer trust. The brand factor ranks second, proving that a strong brand image creates a sense of security and positions the restaurant in the minds of customers [4], [18]. At Khao Lao, the brand's association with authentic Lao cuisine likely reinforces customer confidence, which helps explain why brand image is the second most influential factor in the decision. Food quality is also identified as an essential factor: customers appreciate delicious, attractive dishes [14], [15]. Khao Lao Restaurant needs to continuously improve the taste of its dishes and diversify the menu to enhance the guest experience. Service capacity and sanitation, although having a lower impact than the above factors, still play an important role. The results confirm the view of Müller and Putri et al. that friendly service and a clean environment create comfort and trust for customers [7], [13]. Professional staff and a clean restaurant environment help improve overall satisfaction, which in turn drives the decision to return. The relatively smaller impact coefficients for service capacity and hygiene suggest that Khao Lao already meets basic expectations in these areas, so customers may take them for granted unless standards slip; nevertheless, maintaining friendly, efficient staff and a spotless environment remains crucial for sustaining customer comfort and trust. The price factor has the weakest but still significant influence: in an area with many competing restaurants such as Tan Phu District, reasonable and transparent prices help Khao Lao stand out and attract price-sensitive customers [5], [6]. Notably, even with a high overall customer satisfaction rate (around 75–85% as shown in Table 1), these factors still significantly influence diners' choices. This implies that maintaining excellence in each factor is necessary to uphold and further improve satisfaction, as customers continue to evaluate these specific criteria when deciding whether to visit Khao Lao.

5. CONCLUSIONS AND MANAGERIAL IMPLICATIONS

5.1. Conclusion

The study analyzed six factors influencing the decision of diners to choose Khao Lao restaurant in Tan Phu District, Ho Chi Minh City. The results show that all six factors – hygiene, reliability, service capacity, price, food quality, and brand – have a positive and significant impact on customer decision-making, which is consistent with previous theories and research [1], [12]. In particular, reliability and brand are the two most influential factors. This study contributes to the understanding of consumer behavior in the restaurant context in Vietnam, and at the same time provides a practical basis to help Khao Lao restaurant orient its efforts to improve service quality and customer experience. A limitation of the project is that it only surveyed customers of a specific restaurant and did not consider certain factors such as promotions or technology. Future research should expand the survey to customers of different restaurants and consider the influence of new factors (such as digital experience) on restaurant selection decisions.

5.2. Managerial implications

Khao Lao Restaurant should focus on improving the factors that have a strong influence on customers' choice of the restaurant. In devising the following suggestions, the average satisfaction scores of specific survey items for each factor were considered, so that recommendations target the aspects with the most room for improvement. Firstly, for Hygiene, the restaurant needs to ensure that all areas (kitchen, dining area, restroom, etc.) are always clean and comply with the highest sanitation standards; management should regularly train employees on cleaning procedures and display hygiene standard notices (e.g., an open kitchen or cleanliness checklist) to affirm their commitment to food safety. The restaurant should also conduct periodic internal hygiene inspections and publicize the results on its website or social media to build customer trust. For example, if customer feedback shows slightly lower satisfaction with the cleanliness of a particular area (such as the restroom), that area should receive immediate attention with more frequent cleaning and maintenance.

Secondly, for Reliability, Khao Lao needs to be transparent about the origin of ingredients and the food preparation process (by providing this information on menus and social media pages), as well as maintain a regular quality inspection process to ensure that every dish meets safety and quality standards before serving. Furthermore, any specific aspects of reliability (e.g., consistency in serving time or accuracy of orders) that were rated lower by customers should be targeted for improvement through staff training and operational refinements, so that the restaurant consistently delivers on its promises.

Thirdly, for Food Quality, the restaurant should continuously refine its dishes and broaden menu variety. If any aspect of food quality – for instance, the variety of menu options or the presentation of dishes – received a lower average score in the survey, Khao Lao should address it by introducing new dishes, improving recipes, or enhancing food presentation to better meet customer expectations.

Fourthly, to improve Service Capacity, Khao Lao should invest in additional staff training focused on service skills. The average responses for service-related items (such as staff responsiveness, attentiveness, or knowledge of the menu) can guide specific training topics. For example, if promptness of service was rated relatively lower, management should implement measures to reduce wait times and improve staff responsiveness, thereby elevating the overall customer experience.

Additionally, to strengthen the Brand image, the restaurant should build a consistent communication and marketing strategy to enhance its reputation and customer trust. If the survey indicated that brand recognition or customer trust in the brand was moderate, Khao Lao can increase its advertising presence and highlight its unique Lao cultural theme and cuisine in promotions, distinguishing itself from competitors and reinforcing its brand value in customers' minds.

Finally, regarding Price, although it was the least influential factor, it still matters to customers. Khao Lao should consider adopting more competitive pricing policies or periodic promotions to improve customers' perceived value for money. For instance, if the average rating for price fairness was not high, the restaurant could introduce combo deals or loyalty discounts, and clearly communicate the quality and portion sizes that justify its pricing. By offering better value through promotions and excellent customer service (to enhance the overall experience), Khao Lao can attract more price-sensitive diners and stand out in the competitive Tan Phu District market.

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TÓM TẮT

CÁC YẾU TỐ ẢNH HƯỞNG ĐẾN QUYẾT ĐỊNH LỰA CHỌN
NHÀ HÀNG KHAO LAO TẠI QUẬN TÂN PHÚ – TP. HỒ CHÍ MINH

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Mục đích chính của nghiên cứu này là tìm hiểu các yếu tố ảnh hưởng đến quyết định lựa chọn nhà hàng Khao Lao của thực khách tại quận Tân Phú, Thành phố Hồ Chí Minh. Kết quả phân tích định lượng sử dụng phần mềm SPSS 20.0 từ 246 khách hàng đã sử dụng dịch vụ ăn uống tại nhà hàng cho thấy sáu yếu tố – vệ sinh, độ tin cậy, năng lực phục vụ, giá cả, chất lượng thực phẩm và thương hiệu – có tác động đáng kể đến quyết định lựa chọn nhà hàng của thực khách. Mức độ ảnh hưởng của các yếu tố này được phản ánh trong hệ số hồi quy (β) và được xếp hạng từ mạnh nhất đến yếu nhất như sau: độ tin cậy ($\beta = 0,367$), thương hiệu ($\beta = 0,271$), chất lượng thực phẩm ($\beta = 0,161$), năng lực phục vụ ($\beta = 0,149$), vệ sinh ($\beta = 0,145$) và giá cả ($\beta = 0,108$). Ngoài ra, một số ý nghĩa quản lý cũng được đề xuất trong nghiên cứu này.

Từ khóa: Quyết định lựa chọn nhà hàng, hành vi khách hàng, chất lượng dịch vụ, hình ảnh thương hiệu, vệ sinh.