

STRENGTHENING GUESTS' PERCEIVED VALUE THROUGH RESTAURANTS' INNOVATIVENESS, CREATIVITY, SUSTAINABILITY AND LOCAL FEATURES

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Abstract This research deals with a rarely discussed topic: upscale gastronomy. The field is under-researched due to the restrictions imposed by restaurant owners who primarily do not allow researchers to have direct contact with their guests, thus assuring them an undisturbed, private atmosphere. Despite this fact, the authors of this study were successful in assuring partners within upscale restaurants (among them holders of Michelin stars and holders of other awards) who agreed to cooperate. The aim was to verify the relationships between innovativeness, creativity, sustainability and local features as important competences of upscale gastronomy. The reliability, convergence and discriminant validity of the scales were tested by using exploratory and confirmatory factor analyses. The results confirmed that a) innovativeness and creativity could potentially be an important antecedent of the perceived sustainability of upscale restaurants, b) innovativeness and creativity also influence the level of included local features in upscale gastronomy, and c) if guests perceive a restaurant as more sustainable and more related to its local environment, they also perceive the upscale restaurant as having higher value. In this study, sustainability and local features played a mediating role in the impact of innovativeness and creativity on perceived value.

Keywords:

upscale
gastronomy,
innovativeness and
creativity,
sustainability and
local features,
competences and
perceived value,
restaurants

1 Introduction

Gastronomy is a medium for expressing local cultures (Hjalager and Richards, 2002). According to Ruiz de Lera (2012, p.116) *'gastronomy is no longer just about food and cooking; it has become the latest fashion and a widespread subject of conversation... It is an intercultural and intergenerational movement that has become a global phenomenon thanks to massive media coverage.'* Many destinations actively promote themselves as gastronomic destinations, offering creative and local gastronomy as their prime attractions (Getz et al., 2014). Today, gastronomy is a key pull factor in renowned tourism destinations; several countries and regions already issued their strategies for gastronomy tourism development two decades ago (Lebe and Milfelner, 2006).

The dimensions of innovativeness and creativity are described as crucial competences of restaurants by Jin et al. (2016) and Kim et al. (2018). Hallin and Marnburga (2007) state that competences are more than just one out of several tourism resources and that these resources only become competitive by developing competences consciously and systematically.

This study tested the interconnectedness of selected restaurant competences, namely innovativeness, creativity, sustainability and local features, and their impact on the perceived value of upscale restaurants. Additionally, since some of the scales were used for the first time, their reliability, convergent and discriminant validity were tested using the confirmatory factor analyses.

2 Literature review

Innovativeness and creativity

The terms 'innovation' and 'innovativeness' differ significantly, although their use in literature related to business and hospitality is often interchangeable; *'innovation* focuses on new elements or a new combination of traditional elements in a firm's activities, while *innovativeness* refers to a firm's capability to be amenable to new ideas, services and promotions.' (Kim et al., 2018, p.86). Mulej (2007) argues that innovation is a sum of an invention (idea) *and* its successful commercialisation, since it denotes both the process of making a novelty and its successful placement.

Similarly, *creativity* and *innovation* have frequently been used interchangeably in literature. However, they are far from being the same: creativity focuses on the generation of new and novel ideas, whereas innovation is the implementation of creativity (Lee et al., 2019), and diversity is seen as the main resource for creativity (Richards and Wilson, 2007).

The authors of this study have come up with the term *creative-innovativeness*, which they did not come across during the literature review. It combines both creativity and innovativeness into one term, widening the concept of important restaurant competences.

Sustainability and local features

Tourism businesses have realised that acting sustainably can raise their profitability and satisfy their customers. It has been noticeable for quite some time that consumers are increasingly choosing sustainable, green offers that value local culture and the environment. According to Dolnicar (2015, p. 140), sustainable tourists '*are believed to cause less, or at least wish to cause less, environmental harm when on vacation.*' Sustainability is incorporated in environmental protection policies, while local features are reflected in the use of locally produced ingredients, the inclusion of traditional local recipes, and employment of the local workforce.

Ljunggren (2012, p.64) states that restaurants that offer high-quality menus can gain a significant competitive advantage by using locally produced food. Since the leading upscale restaurants need to offer excellent quality, they predominately place their trust in local produce and ingredients, focusing their menus on regional specialties and traditional recipes, which make their dishes unique. This means that the chefs not only need knowledge of the culinary traditions, but they must also be creative and innovative to merge the traditional, local and new into dishes that satisfy the most demanding clientele.

Sustainability and local features are conceptualised as restaurants' competences that lead to and support the gastronomic competitiveness of the destination as a whole, comprising a critical number of upscale restaurants, so that such a destination can be labelled a gastronomic destination. To assess the quality of innovativeness and creativity in upscale gastronomy, the authors of this study concentrated on three

selected elements and tested their competitiveness levels. These were the staff, the restaurant's visual appearance, and the presence of culinary trends on the menu. The staff represent the intangible part of the innovative and creative gastronomy on offer, whereas the restaurant reflects its tangible dimensions of innovativeness and creativity, while the openness to current trends is closely linked to staff competences.

3 Hypotheses development

Creativity and innovation are crucial for the restaurant industry since they are both components of the innovation process (Lee et al., 2019). The literature review shows that restaurants' creative-innovativeness has been mostly focused on five innovation types: product, service, process, management, and marketing innovations (Hjalager, 2010), where almost all, to some extent, relate to the staff creative-innovativeness, including innovations on sustainability trends. Hence, the authors of this study hypothesise:

H1: Staff creative-innovativeness positively impacts sustainability and local features.

Restaurants should develop a new range of skills, going beyond the traditional, and develop experience, creativity and innovation, where creating authenticity is a question of innovative and creative storytelling (Richards, 2012). Creative resources are more sustainable (Richards, 2014) and creativity has become increasingly significant in rural areas (Cloke, 2007). Upscale restaurants situated either in urban or rural environments, together with entertainment, have increasingly utilised creativity in their marketing strategies (Richards and Wilson, 2007). H2 was thus based on the aforementioned:

H2: Restaurant creative-innovativeness positively impacts sustainability and local features.

The concept of green consumption and environmental protection is a growing trend in restaurants (Gössling et al., 2011), mostly accomplished through innovative and creative practices. Research into creative and innovative restaurant trends encompasses innovation in restaurant management (Lee et al., 2016), restaurant innovativeness (Gagić, 2016), innovative organisational culture in restaurants (Jogarathnam, 2017), innovative capabilities in terms of developing new dishes, using

modern equipment and traditional recipes, and updating menus with information about the calorie count, saturated fat, the origin of ingredients, etc. (Otengei et al., 2017). Hence, the following hypothesis was set:

H3: The creative-innovativeness trend positively impacts sustainability and local features.

The increased demand for locally sourced and produced food fosters sustainable restaurant operation (OECD, 2012). In literature on sustainability in restaurants, sustainability was linked to local features in the context of gastronomic destination creation (Yurtseven and Karakas, 2013), sustainable rural tourism (Sims, 2010), strategies of 'locality' and sustainability for food tourism (Su, 2012), as well as the use of local ingredients (Schmitt et al., 2017). H4 was thus based on the aforementioned:

H4: Sustainability positively impacts local features.

Sustainability has not yet been explored extensively in connection with perceived value. Previous research has revealed: (1) how consumers perceive restaurants with green attributes and how they influence their behavioural intentions (Sarmiento and El Hanandeh, 2018), (2) that sustainability implementation positively contributes to competitiveness and consumer satisfaction (Cantele and Cassia, 2020), and (3) the role of customer behaviour in forming perceived value in restaurants (Kim and Tang, 2020). Accordingly, the H5 hypothesis is as follows:

H5: Sustainability positively impacts the perceived value of restaurants.

Local features have also not yet been explored extensively in connection to perceived value. Since local food is perceived as healthy, Kim et al. (2013) researched how the perceived healthiness of food in restaurants influences value, satisfaction and intentions to revisit. Konuk (2019) investigated the role of the perceived food quality, the perceived value of price fairness, and customer satisfaction on consumers' intentions to revisit organic food restaurants. On this basis, the authors set the H6 hypothesis.

H6: Local features positively impact the perceived value of restaurants.

4 Methodology

Data collection using the final sample

Data was collected by handing out printed self-administered questionnaires in 12 upscale restaurants in two cross-border destinations, both well-known for their superior gastronomy, namely in western Slovenia and the northern Italy region of Veneto, as well as in the bordering region of the Slovenian and Croatian Littoral. The criterion for inviting the restaurants to cooperate in this research was their ranking as the most exquisite gastronomy providers in their destination; most of the participating restaurants are today either included in the Michelin Guide and/or have been awarded the Gault Millau label.

Sample characteristics

A total of 338 questionnaires were completed. Three of the questionnaires were not included in the sample due to missing data, which resulted in 335 valid questionnaires and the size of the *restaurant-guests sample*. The gender ratio of the sample was balanced with 51% female and 49% male respondents. Most of the respondents (41.8%) were between 35 and 49 years of age. The sample was multi-ethnic with respondents coming from three continents: Europe, Asia, and North America. Most of the respondents, however, were Europeans; the two predominant nationalities were Slovene (29%) and Italian (20.9%).

Reliability, convergent and discriminant validity of the scales

In the first phase, exploratory factor analysis (EFA) was performed and some items were eliminated due to lower loadings and convergent validity issues. Confirmatory factor analysis (CFA) was then deployed. The authors began the CFA process by including all the items in the research. During the process, some additional items were excluded, one by one, considering the modification and the fit indices. The measurement model was evaluated by using the following indices: the chi-square statistic (χ^2), the root mean square error of approximation (RMSEA), the goodness of fit index (GFI), the comparative fit index (CFI), the normed fit index (NFI), and the Tucker-Lewis index (TLI). The model was evaluated according to the following cut-off criteria: RMSEA < .08 GFI > .90, CFI > .90, TLI > .90, IFI > .90, as proposed by

representative authors in the field (MacCallum et al., 1996; Hu and Bentler, 1999; Byrne, 1994).

Structural equation modelling was performed with the maximum likelihood (ML) estimation. First, the measurement model with five constructs was tested. An overall fit assessment of the measurement model yielded a significant chi-square value ($\chi^2(125) = 309.44$), which indicated a non-perfect fit. However, according to Bollen (1989), additional fit indices should be used, since the χ^2 may be an inappropriate standard when dealing with a complex model and with a specific sample size. The following indices were calculated for the general model: GFI= 0.913; RMSEA=0.066; CFI=0.945; TLI=0.933; IFI=0.946. All were inside the suggested intervals (as described above).

All the indicator loadings reached from 0.542 to 0.956. Apart from two items, they all exceeded the suggested value of 0.6. Composite reliabilities reached from 0.698 to 0.897. They are all inside the suggested intervals (higher than 0.6), meaning that the scales are reliable. Average variance extracted (AVE) values varied between 0.504 and 0.748, also reaching the suggested threshold of 0.5. This indicates that the convergent validity can be supported for all constructs.

The discriminant validity was then assessed using two procedures. First, the Fornell and Larcker (1981) test was deployed, calculating the correlations between the latent constructs and comparing them to the square roots of AVE. All square roots calculations of AVE are higher than the correlations between the constructs, and all correlations are statistically significant at $p < 0.01$, supporting the discriminant validity. According to Henseler et al. (2015), the heterotrait-monotrait (HTMT) ratios of correlations should also be calculated, since this is a more restrictive test for assessing the discriminant validity. All the HTMT ratios of correlations are below the suggested threshold of 0.85.

5 Results

The parameters in the structural model were estimated using the ML estimation procedure. The model demonstrated a good fit of the data: $\chi^2(175) = 408.53$; GFI= 0.903; RMSEA=0.062; CFI= 0.941; TLI=0.930; IFI=0.942. All indices, except χ^2 , which was significant, were in appropriate intervals. In the initial model, the direct

path from the trend creative innovativeness to the sustainability was proposed. Since it was statistically non-significant it was removed in the final model, which resulted in a significant improvement of the overall model fit.

The results confirmed that staff creative-innovativeness ($\gamma_1=0.261$; $p<0.01$) and restaurant creative-innovativeness positively influenced sustainability ($\gamma_2=0.206$; $p<.001$). Staff creative-innovativeness ($\gamma_3=0.393$; $p<0.01$), and restaurant creative-innovativeness ($\gamma_4=0.369$; $p<.001$) also had a positive and statistically significant impact on local features, meaning that the H1 and H2 hypotheses were confirmed. The path from the creative-innovativeness trend to local features was significantly negative ($\gamma_5=-0.233$; $p<0.05$), while the path to sustainability was non-significant, therefore the H3 hypothesis was rejected. In contrast, sustainability significantly and positively influences local features ($\beta_1=0.285$; $p<.001$), therefore the H4 hypothesis was confirmed. Additionally, the paths from sustainability ($\beta_2=0.152$; $p<.001$) and local features to perceived value ($\beta_3=0.245$; $p<.001$) were positive and statistically significant, therefore the H5 and H6 hypothesis were also confirmed. Except for the path from the creative-innovativeness trend to local features, all the paths were positive, as predicted by logical deduction and previous findings. The results are shown in Figure 1 below.

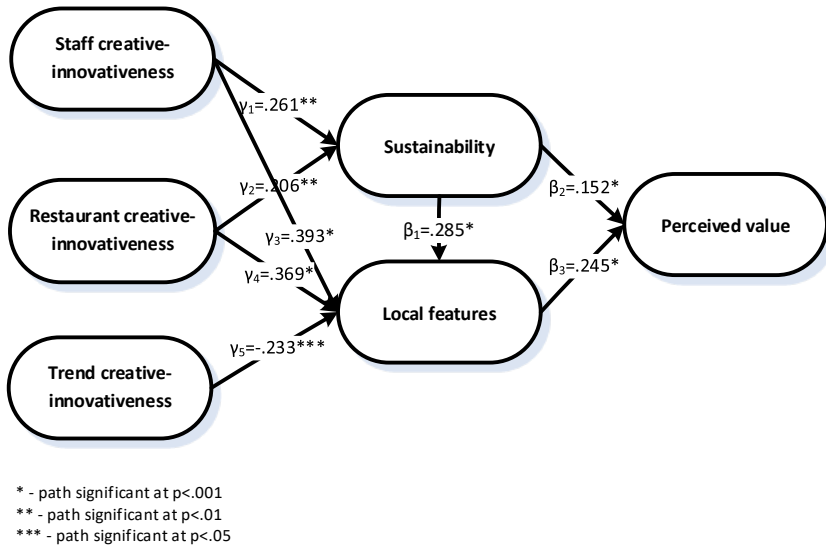


Figure 1: Structural model and standardised regression paths

6 Conclusion

First, innovativeness and creativity could potentially be an important antecedent of the perceived sustainability of upscale restaurants. In this context, staff creativity and novel approaches seem to be of importance, while testing the trends in this study's model showed no influence on sustainability. Innovativeness and creativity are known as important competences in achieving competitive advantages in the field of tourism (Ljunggren, 2012; Keller, 2005). This study suggests that they can also have a significant impact on guests' perception of sustainability. When viewed from another perspective, it can be ascertained that upscale restaurants that adopt innovative and creative approaches also implement them by way of offering more sustainable services.

Second, innovativeness and creativity also influence the level of local features included in upscale gastronomy. The impact of staff and restaurants' creative-innovativeness on local features is the strongest impact in the model, which implies that innovative and creative approaches in gastronomy incorporate the inclusion of local features into tangible and intangible elements of their offer. At first glance, it might appear unexpected that the creative-innovativeness trend has had a negative impact on local features. This can be explained by considering global trends as a potential for hindering the inclusion of local features in the gastronomic offer.

Third, if guests perceive a restaurant as more sustainable and more related to its local environment, they also perceive the restaurant's range of food and services as of higher value. The inclusion by restaurants of more sustainability measures as well as more local features can possibly create a higher perceived value for guests of upscale restaurants. Previous research in the field (Chen and Chen, 2010; Prebensen and Xie, 2017) reports that a higher value usually leads to higher satisfaction and that satisfaction positively affects both the profitability and the company's overall performance in the hospitality and tourism sector (Sun and Kim, 2013; Hwang and Zhao, 2010; Wu and Liang, 2009). In this study, sustainability and local features played a mediating role for the impact of the innovativeness and creativity on perceived value. Based on the above, it can be inferred that all the aforementioned concepts have the potential to create a sustainable competitive advantage.

6.1 Limitations of the study

The common method variance can have an effect on the research findings: in this study, this might be in the way that some illusory correlations related to the consistency motifs may affect the results. The answers from each respondent were taken at the same time and in the same place, therefore systematic covariation cannot be excluded. Additionally, since this study deals with guests of upscale restaurants, the need for social approval may cause individuals to present themselves in a favourable light, regardless of their true feelings about an issue or topic (Podsakoff et al., 2003), and their answers may be overrated.

Further limitations are the rather small sample, and the focus on the local environments of only three selected countries (Slovenia, Italy, and Croatia).

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