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## Faculty of Business Economics

Master of Management

### **Master's thesis**

***The role of innovation in creating competitive advantage: A qualitative study of restaurants in Brussels centre***

#### **Layane Siqueira**

Thesis presented in fulfillment of the requirements for the degree of Master of Management, specialization Strategy and Innovation Management

#### **SUPERVISOR :**

Prof. dr. Mark VANCAUTEREN



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**2022**  
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## **Preface**

The current research paper marks my final work for the Master in Management at Hasselt University, with a specialisation in Strategic Innovation Management, which acknowledges the main focus of this research: Innovation.

The hospitality industry was chosen due to personal reasons. I have been a working student since the beginning of my graduate studies. Therefore, working long hours in restaurants, cafes and bars have been part of my reality while attending classes and preparing for exams.

However, while living both worlds simultaneously, I have had the opportunity to apply some of the knowledge acquired in classes in the actual working environment of restaurants. Therefore, associating the concept of "innovation" in the restaurant industry was unavoidable. After understanding the needs and flaws of the sector, the enthusiasm to apply innovation as a facilitator of competitive advantage became the main motivation of the current research.

The current thesis is a writing report from a qualitative study conducted with five managers of small-medium sized restaurants in Brussels centre. The four main elements of the research related to the following concepts of innovation: Types of innovation, Barriers to Innovation, Creative Process and Trends of the market.

Analysis and interpretation of the research findings were carried out in sections and several studies' results were used as reference. The main findings were specific from each restaurant, however, lots of similarities were perceived. Therefore, even though the sample is not representative of the population, it brings insights and relevant reflections about the role of innovation in the restaurant industry.

The journey through this study was intense and transformative. By examining managers' perspectives, opinions, thoughts and experiences, a new way of thinking was disclosed for me. Therefore, I am grateful to each of them for the opportunity to learn and listen to their reflections, and I am ultimately glad to contribute to the improvement and development of their work.

Finally, I am grateful to my family, which has supported me even from a distance, to my friends who have become a family in Belgium along the way, to my professors during my master's years, and to my promotor. Each of them was an important part that allowed me to conduct and finalise this research.

## Summary

Restaurant business is evolving and adapting to the constant changes in the market and to customers' needs (Gherib et al., 2018). Despite the market uncertainty of the hospitality sector, restaurants can gain a competitive advantage by implementing innovation that delivers and captures value (Thacker, 2017). In that context, after recovering from the covid-19 pandemic and with the positive figures of the hospitality industry rising in Belgium, the present study aims to provide restaurant managers with more understandable advice on four main aspects: Types of Innovation; Barriers to innovation; Creative Process and Future Market Trends.

The conceptual framework utilised in this research incorporated the four aspects analysed. The types of innovations are described as product, marketing, technological and process innovation. The creative process involves internal (staff, managers, stakeholders, CEO, etc.) and external (suppliers, competitors, government, universities, etc.) resources. The Barriers to innovation are classified into economical, knowledge and market factors. Finally, the trends of the market were listed into eight main categories, technology, sustainability, attention to health, local and regional food, accessible prices, personalisation service, refined taste and simplicity.

Formal semi structured interviews were conducted with 5 managers of small-medium sized restaurants (independently and no non franchised). Theoretical approach was chosen as the main form of analysis. Interviews were transcribed and a coding template was designed from prior literature research about innovation. Themes were grouped into coding schemes and resulted in a three dimensional code with thirteen second-order themes that generated the main ideas of the findings and discussion

The findings and implications were grouped into four sections (the four key themes of the research). First section reports that restaurant managers are introducing innovation to a small extent with relevance to product innovation, with focus on the introduction of new menu items. Second section findings report that the business owners and stakeholders are the main sources of innovation. Third section refers that the main innovation barriers were economic and knowledge factors, specifically, "high cost to innovate" and "limited information about innovation" are reported as the main barriers to innovation. Fourth section highlights sustainability, local consumption and attention to health as the major tendencies of the industry, according to the managers.

The final implications of this study shows that it is not possible to affirm that innovation has increased the competitiveness advantage of the restaurants analysed, due to the fact that innovation is implemented in a non-structured and informal way, without using strategies and data for measuring the impacts on the business.

Therefore, recommendations regarding the adoption of a cross-functional innovation team, strategic plan and appropriate measures such as financial reports are discussed. Finally, future market trends should be considered while adopting innovative practices.

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## **1. Introduction**

Innovation has been a recent topic of study of various researchers (O'Dwyer et al., 2009; Gomezelj, 2016; Hjalager, 2002). According to Rogers (1995), innovation is the development of a unique product or service that increases the performance of a business. Complementary, Hurley & Hult (1998) have defined innovation as a method of developing creative and innovative ideas in a company.

In the business context, many researchers have investigated the positive relationship between innovation and competitive advantage (Agarwal et al., 2003), where innovation is perceived as an efficient tool that helps companies to improve their performance and survive in competitive and dynamic environments (Luo & Zhang, 2003).

The hospitality industry is known for its high number of competitors because of its low market barriers and cost-conscious consumers (Assa et al., 2011). Further, the constant change in the customer's demands for a wide offer of options in the market makes it difficult for companies, such as restaurants and food services to stand out from the competition and gain competitive advantage (Ottenbacher & Harrington, 2007).

The need for restaurants to increase their competitiveness by being innovative is often achieved through menu innovativeness (Alonso & O'Neill, 2010). However, restaurants should also explore other forms of innovation in order to improve their processes and attract new customers (Wilkins et al., 2011). At the same time, advances in technology and the postmodern trends have a high influence on how restaurant business who decide to innovate will adapt to those changes (Ivkov et al., 2016).

However, implementing innovation can be restrained by several barriers, especially in a small-to medium-sized business context, such as the cost of innovation, limited resources, lack of expertise, and dependency on several factors such as business model, cultural aspects, and the types of innovation adopted (Ottenbacher & Harrington, 2011; Ottenbacher & Harrington, 2007).

This dichotomy becomes evident when aligned with the restaurant business figures in Belgium. Recently, the hospitality market has expanded exponentially, with figures showing that Belgian families are spending more than 5% of their income in hospitality activities such as restaurants and cafes (Statbel, 2021).

On the other hand, the restaurant industry has recently faced many economic challenges, such as inflation, post-pandemic recovery, and high labour costs (Damanpour et al., 2009). In this scenario, innovation becomes both critical and opportune for these businesses; thus, investigating the level of innovation in restaurants, barriers, the creative process within these firms and the future trends of the industry remains crucial to help businesses and managers develop appropriate strategies to implement successful innovative practices in their business (Assaf et al., 2011).

However, it is noticeable that there is limited research available related to innovation in service industries (Hollenstein, 2003). Specifically, there is scarce research in the hospitality field on the effect of innovativeness on competitive advantage in firms such as restaurants and food services (Tajeddini, 2010).

In conclusion, there is no clear evidence that restaurants are innovating, however, which type of innovation has been implemented? What are the main barriers to innovation? Where does



the creative process of innovation come from? What are the future trends in the industry? And, **does innovation increase their business competitive advantage?**

Therefore, the present study aims also to provide restaurant managers with more understandable advice on four main aspects:

1. Types of Innovation;
2. Barriers to innovate;
3. Creative Process;
4. Future Trends.

Thus, the present study conducted a qualitative research using a semi-structured interview with a focal-group of five small-medium sized restaurants located in Brussels city centre.

## **2. The Restaurant Business**

Restaurant businesses have many characteristics compared to other service businesses. According to Gheribi et al. (2018), restaurants are a type of business that integrates service operations, processes, and marketing to meet specific customer needs, where customer service is usually done through waiter service and with a menu offer of food and drinks.

According to Canziani et al. (2016), there are two main categories of restaurants: limited-service and full-service restaurants. The first refers to restaurants where the customer places his order at the cashier and waits at the table to be served; normally, this type of service is found in fast food chains or small and quick food services. The second category, full-service, refers to restaurants where customers are received, conducted to a table, and can have a full dining experience.

However, restaurants can be sensitive to changes in the economy, such as inflation, increased prices, and changes in customer spending, which can negatively affect their operations and reduce profits. On the other hand, current market trends have a direct impact on the restaurant business since these businesses tend to be responsive to new customer needs and follow the recent trends available in the market (Kwiatkowska & Levytska, 2007). 2018).

By dealing with constant changes in the market and customer needs, the restaurant business is evolving and needs to adapt continuously (Muller, 1999). Therefore, businesses that are market- and customer-oriented should be able to recognize beneficial market trends. Despite the market uncertainty in the hospitality sector, restaurants can gain a competitive advantage by developing new ideas that deliver and capture value (Gherib et al., 2018).

### **2.1 Belgium figures**

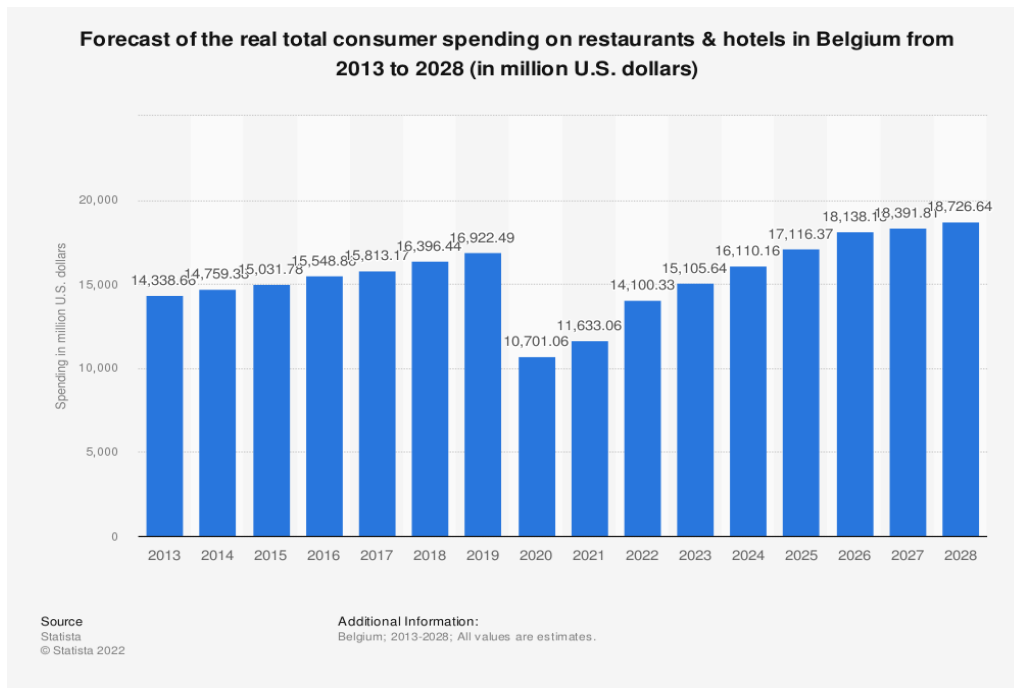
An appropriate measure of the development of restaurant business in a country is the number of active enterprises in the sector OECD (2005). According to Statbel (2021), the number of restaurants in Belgium have gradually increased from 29,526 in 2008 to 33,999 in 2020, an increase of 15%, as shown in graph 1. These figures show that the restaurant sector can be considered intensively competitive and is characterised by a large number of small businesses, where, according to Kwiatkowska and Levytska (2007), economic and social trends are the major influences, such as increased food prices and changes in consumer buying power marketing campaigns.



Graph 1 - Statbel (2021)

Another significant figure that shows the development of the restaurant market is the systematically growing customer spending. The current total consumer spending on restaurants and hotels in Belgium has increased substantially from 2020, with the pandemic breakdown, to 2022, with an increase of nearly 4 million dollars per year.

Despite the impact of the covid -19 and the lockdown on the hospitality businesses, with nearly 5 millions of reduction during the year of 2019 and 2020, the figures remain positive for the future, with forecasts to continuously increase between 2022 and 2028 by 32.81%, as shown in the graph 2.



Graph 2 - Statbel (2021)

According to Gheribi (2018), the intense market competition in the restaurant business stimulates restaurant managers to rethink their strategies and to incorporate elements in their business that could help them to gain competitive advantages, therefore, nowadays, the constant change and shifts of consumer behaviour requests a new response from the businesses, therefore, personalised and specific services must be designed according to the new customer demands.

### 3. Definition of Innovation

Innovation has been investigated and defined by many researchers in different fields (Afuah, 1997; Fischer & Fröhlich, 2001; McDermott & O'Connor, 2002). Krupp (1992), one of the first innovation researchers, primarily defined innovation as the financial result of technological introduction as a problem-solving action for businesses.

A more complete definition is given by Williams (1991), that defines innovation as a combination of technology, financial and management elements to create a new product or service. Complementary, OECD (2005) names innovation the invention of a new or enhanced product, method, or service into business activities that deliver value to customers and increase business finance performance.

From a business perspective, Nambisan and Sawhney (2007) define innovation as “the creation of substantial new value for customers and the firm by creatively changing one or more dimensions of the business system.” Similarly, Luo and Bhattacharya (2006) perceived innovation as the result of a firm’s strategy to create novelty to survive the market and gain competitive advantage.

Alternatively, Schumpeter (2021) elaborated on innovation as a new combination of novelty and previous knowledge. He states that an invention relates to a totally new product, service, process, or idea; however, to be considered an innovation, an invention must be launched in the market and generate substantial profit.

The main objective of innovation in businesses is to optimize processes to reach specific goals, such as increasing revenue, improving business performance, and maximizing company growth. However, the adoption of innovation in businesses relies predominantly on management controls as shown in (Figure 1). (Kogabayev & Maziliauskas, 2017)

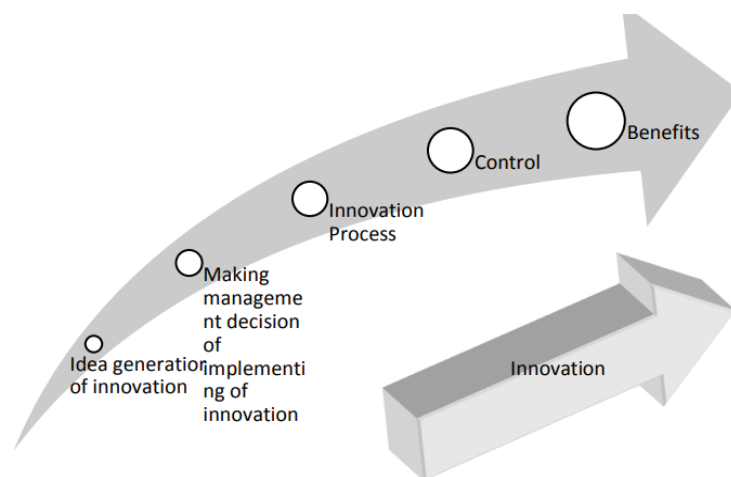


Figure 1 - Steps of Innovation Implementation

Source: Kogabayev & Maziliauskas (2017)

Innovation in businesses has particular dynamics, key activities, and speed of implementation that depends largely on the type of innovation implemented in the business. According to Bloch and Bugge (2013), the four elements that define innovation are implementation, success, the level of change required, and sources of innovation. Therefore, when deciding to

implement innovative practices, managers must understand the different types of innovation that they aim to implement, the level of change necessary, and the sources needed to develop appropriate innovation strategies (Kogabayev & Maziliauskas, 2017).

#### **4. Service Innovation**

Toivonen & Tuominen (2009) describe service innovation "a new service or such a renewal of an existing service which is put into practice and which provides benefit to the organisation that has developed it; the benefit usually derives from the added value that the renewal provides the customers."

Complementary, Cullen (2008) defined service innovation as an innovation "created with a particular value proposition in mind, which enables the user of the service to create value for themselves or their community." While Skålén et al. (2014) stated that service innovation is "the creation of new value propositions by means of developing existing or creating new practices and/or resources, or by means of integrating practices and resources in new ways."

The main drivers of service innovations arise from customers' demand for new services or from managers' decisions to generate up-to-date services for existing markets or to create new niches for existing services (Damanpour et al. 2009). Therefore, businesses can use customer insights or partnerships with other businesses to generate valuable knowledge for innovation development (Dougherty 2004; Fosstenlokken et al. 2003; Gann & Salter, 2000).

According to Tidd & Bessant (2011), the relationship between innovation and competitive advantage is often positive and constant in the service sector; however, the authors argue that service firms that decide to innovate need mainly the introduction of innovation in processes and technology; therefore, the integration of managers and staff is considered crucial in the process of innovation.

However, there is still no consensus in the current literature on the definition of service innovation because there is still no agreed method to measure innovation in such a heterogeneous sector (Kleinknecht, 2000). Nevertheless, some theoretical models have been developed for service innovation to help understand its complexity (Sundbo, 1997; Tajeddini, 2010).

##### **4.1 Measurement of service innovation**

According to Neely et al. (2000), performance measurement is "the process of quantifying an action's efficiency and effectiveness". In addition, the measurement can be quantitative or qualitative. In this sense, Høyrup (2010) states that measuring performance is crucial to support managers in understanding their results and allocating investments. Using appropriate data, managers can identify the strong and weak areas of the business and adapt their strategies.

However, when it comes to measuring innovation, there is still limited knowledge in the literature about measuring its effectiveness (Saunila & Ukko, 2012). According to Muller et al. (1999), it is common for managers to feel insecure about investing in or implementing innovative practices in the business because of the lack of measurement of effectiveness.

According to Jong et al. (2003), innovation outputs can be measured, such as new product development or improvement, or process improvement (unmeasurable). However, in the service industry, process innovations are strictly associated with the services provided, and measurement becomes difficult to quantify.

Currently, most companies measure the effectiveness of service innovation according to the economic value generated (Michel et al., 2006; Michel & al, 2008). However, recently, this form of measurement has been perceived as limited, since many new services create significant benefits for customers and do not generate revenue for the creator (Henkel & Von Hippel, 2005).

Durst et al.(2015) state that innovation is not homogeneous; therefore, it is difficult to measure the different types and degrees of innovation in service companies due to the different company sizes. According to Mohnen and Kleinknecht (2002), the bigger the company, the higher its capacity to innovate. On the other hand, small-medium sized firms are less likely to be innovative.

#### **4.1.1 The Oslo Manual survey for innovation measurement**

The Organisation for Economic Co-operation and Development (OECD) is a public organization that creates policies and regulations to foster innovation and development in 38 member countries. The OECD created the Oslo Manual of Innovation, which is a worldwide methodology used for measuring and categorizing innovation in different industries. Additionally, the manual provides specific regulations for gathering data on innovation activities in different fields, certifying the accuracy and reliability of the data.

According to the OECD (2005), there are two different forms of gathering data about innovation in businesses: the subject approach survey and the object approach survey. The first is based on the analysis of the entire innovative behavior and operations of the business, addressing the strategies, drivers, and barriers to innovation, which generates valuable information about the innovative activity of the business.

The current research is based on the subject approach, since it has a small sample and the restaurants are not specialized in the form of innovation, but they often apply it to different business operations.

Therefore, the guidelines for developing a reliable and efficient survey, according to the Oslo Manual (2005), consist of several factors. First, the target sample must be as homogeneous and as similar as possible in terms of industry, innovation, size, number of employees, years of operation, and capacity. However, only companies with a minimum of ten employees should be considered to ensure reliability.

Second, the Oslo Manual (OECD, 2005) recommends that the questionnaire should be direct and short, without complicated and confusing questions, and should follow a logical structure with separated topics and clear vocabulary.

Another important point to consider is the respondents' choices. Since the questions are quite specific and require deep knowledge of the business's operations, it is advisable to interview someone from the head office or management position. In small-to medium-sized businesses, managers are the most suitable participants (OECD, 2005).

Finally, the manual recommends the basic information that should be collected in a survey: the type of innovation (s) developed by the firm, the financial gains produced by the innovation, the cost of implementation of the innovation, the main objective of the innovation activity, and the main source of innovation ideas during the creative process of innovation.



## 5. The Relationship between Competitive Advantage and Innovation

According to Friesenbichler and Reinstaller (2021), competitive advantage refers to a business's ability to make strategic choices to capture market opportunities. In that sense, Guo and Lu (2021) suggest that businesses should analyze the external environment and maximize internal resources through effective business strategies.

In addition, the development of new technologies and increased competition in the global market require businesses to be innovative, which, in the long run, increases their competitive advantage (Leiblein et al., 2022; Amin & Aslam, 2017; Danso et al., 2019).

Innovation is an essential resource to boost business performance and improve competitive advantage, especially for small and medium sized businesses. Additionally, innovation activities positively influence quality improvements and business performance (Jordao and Novas, 2017).

A competitive advantage is necessary for every business that wants to beat the competition and survive in the market (Basset et al., 2018). According to Teece (2018), to develop a competitive advantage, a business must use a resource-based strategy perspective.

In that light, Hewitt and Van Rensburg (2020) state that innovation is one of the key resources for gaining competitive advantage; therefore, the development of effective innovation strategies is essential to improve the performance of small- and medium-sized businesses (Bărbulescu et al., 2021).

Several studies have investigated the relationship between innovation and competitive advantage (Nemlioglu & Mallick, 2017; Moskovich, 2020; Onufrey & Bergek, 2021). However, the findings are conflicting because innovation requires the use of various resources, such as technology and human capital, as well as different organizational resources that could be difficult to measure (Abad-Segura et al., 2020).

A study conducted by Krüger and Meyer (2021) revealed a significant positive relationship between business strategy and innovation. They found that businesses that adapt to technological changes by developing innovations can benefit from market share growth and expand into new markets.

Distanont and Khongmalai (2018) conducted research among small-medium sized businesses that analysed the innovation elements that generated competitive advantage. They found that market factors such as consumers, suppliers, and the business environment play an important role. In addition, outside factors such as government support, public policies, and regulations help businesses achieve competitive advantage.

Hana (2013) affirms that innovations are the main generators of competitive advantage in a business, which is directly related to its success in a competitive environment. She affirmed that knowledge is a crucial tool in the innovation process. Additionally, Adhikari (2017, p.12) found that "introducing innovation can improve productivity, reduce costs, become more competitive, establish the value of the brand, increase sales and improve profitability, as well as to establish new partnerships and relationships among the stakeholders."

## **6. Innovation in Restaurants**

In order to understand how innovation is applied to the restaurant business, it is important to reflect on the needs and practices of the sector when it comes to innovation. In that light, Thacker (2017) affirmed that the restaurant industry has adopted many ways to innovate and introduce new features in the competitive market to attract new customers and gain competitive advantage.

Normally, innovation in restaurants consists of the use of technology in service or food processing, upgrading traditional working methods, changing menus, and more. However, even though innovations in the restaurant industry mean that the business is evolving, it does not need to change the entire business process or concept; it can also refer to small changes, for example, different types of payment available (Wirth, 2018).

According to research conducted by Ivkov et al. (2016), they analysed different forms of innovation in the restaurant sector, including design and ambiance, menu and drink, technological application, and a socially conscious corporate philosophy. Innovation in the food and beverage industry could entail altering the ingredients and portion size, or adding an allergen-free option. They affirm that there are several forms of making a food business innovative, such as design, atmosphere, packaging, recycling in terms of doing business responsibly, or even innovating in the field of human resources.

In this regard, Pohle and Chapman (2006) remarked that the restaurant industry is dealing with significant and rapid market changes. This happens because customers demand an enhanced experience; however, implementing innovations can be a complicated and multifaceted process. In order to increase revenue and market share, businesses decide to implement innovative practices, organizational procedures, products, and services. Therefore, managers must adapt, particularly with regard to employee development and motivation.

In that scenario, Sandvik and Sandvik (2003) affirm that main businesses have shifted their emphasis from selling goods and services to educating and empowering their clients. In the restaurant industry, many innovations and cost reductions have been made in products and processes, such as new menu items and the usage of new equipment and food preparation. However, they state that innovation in marketing and technology remains crucial for improving business models and enhancing customer experience.

Many authors (Hotho & Champion, 2011; Zhang & Li, 2010) refer to innovation in restaurants as a determining activity to survive in such a competitive industry, mostly when it is located in an international or diverse culture. Therefore, in order to remain profitable, restaurants have to learn how to adapt to different environments, due to changes in customer behavior or market trends (Liu & Jang, 2009).

### **6.1 Market Trends**

Due to its dynamic nature that evolves and changes constantly, the restaurant industry is always engaging with new trends. Therefore, businesses need to be able to react and change if

they can identify a favourable market direction. This action is not only essential to keep the business updated, but also, an essential strategy to survive in light of competitors and to be able to attract different types of customers (Can, 2021).

According to Nohlen et al. (2022) customers of today, with their constantly shifting habits, tend to require a personalised eating experience. Customers are becoming more aware and demanding in the variety, safety, and quality of the food. The pattern towards eating better lately has shifted customer interest for more healthy habits and information about the origin of the product that they are consuming.

A report from Barilla Centre for Food & Nutrition (2012) there are currently ten main trends connected to innovation in the food industry, the first trend cited is sustainability, as customers are becoming aware of the impact that their habits and lifestyle have in the environment, the second trend is the increased attention to health, and the third is the choice over local and regional food, which supports local businesses (see Table 1).

No.	Trend
1	Technology
2	Sustainability
3	Attention to health
4	Local and regional food
5	Accessible prices
6	Personalisation service
7	Refined tasted
8	Simplicity

Table 1 - Evolving trends: Eating in 2030.  
Source: (BCFN, 2012)

According to Leung & Loo (2020) the trend of using smart technologies in the food industry improves efficiency and productivity of restaurants and simplifies bookings and payments operations, which enhance customer overall satisfaction. Therefore, implementing smart technologies can be a crucial tool to provide a unique and pleasant dining experience. Similarly, Ansari et al., (2018) points that restaurant businesses are adopting a new service model that is centred on creating personalised experience and simplifying the business-customer operations, where the usage of smart technologies are strategically important.

Furstenau et al. (2020) states that the future of restaurant business relies heavily on the usage of technologies, therefore, most of the human interactions will tend to be partially replaced by human-machine interaction, in order to save time, reduce costs and reduce mistakes. Additionally, the usage of high technology can allow businesses to process relevant data and perform multiple tasks.

The sustainability trend is discussed by Can (2021), she suggests that restaurant businesses can apply sustainable practices in their operation in various ways, such as reducing water waste or simply reducing energy consumption, as it is beneficial for the business itself and is perceived positively by the customers. More advanced practices can be difficult to be implemented in small-medium sized businesses, however, the implementation of sustainable practices such as recycling, compost production and food donation can be accessible and easily adopted by some restaurants.

The Green Restaurant Association (2019) ranked the main three trends for the upcoming years in the restaurant business, first, the "zero waste" program, where restaurants could adapt the size of the portion according to the need of the customer and the usage of compostable. Second, the reduced usage of plastics, such as water bottles, straws and plastic bags and lastly, the adoption/integration of a plant-based menu.

According to Perlik (2005) almost 70% of fine dining restaurants in the USA use organic products as their main cooking ingredients, while only 33% of casual restaurants affirm to do so. The main reason to use these ingredients are the higher quality and the increased demand from customers, however, casual restaurants reported to not be able to afford the high prices of organic products yet.

When it comes to locally produced food, Alfnes & Sharma (2010) state that restaurants have recently increased their usage of local ingredients. Similarly, research conducted by Anderatta et al., (2011) has shown that customers that have decided to purchase locally grown foods have several motivators such as quality, freshness, superior taste, and the willingness to support local businesses.

## 7. Types of innovation in restaurant firms

According to the model proposed by Rapacz et al (2022), there are four types of common innovation in the hospitality industry, namely products innovations, process innovations, marketing innovations and technological innovations as shown in Figure 3. According to the model proposed by the authors, there are two different perspectives that can influence the innovation in the restaurant industry, the customers perspective and the perspective of a manager, owner or employee.

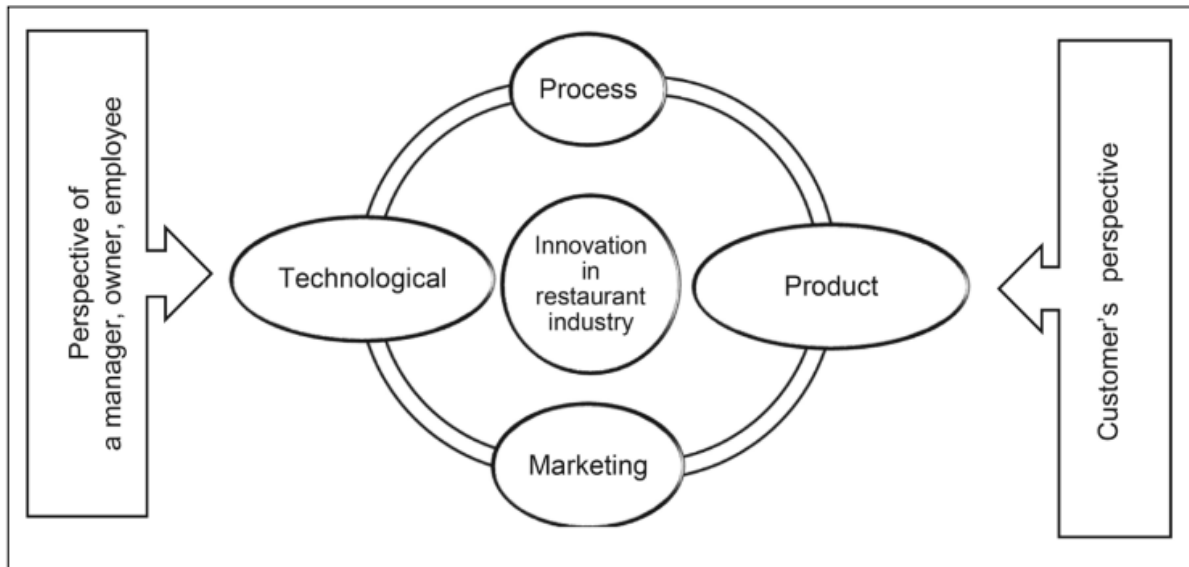


Figure 3 - Innovation Model

Source: Rapacz et al. (2022).

### 7.1 Product innovation

According to Evangelista & Vezzani (2010), innovation in products has to do with the creation or launch of a new product in the market. When it comes to food businesses, product innovation regularly takes place as the launch of new items in the menu, which is determined according to current trends of the market. Nowadays, it can be identified as healthier ingredients, vegetarian/vegan options, low-fat alternatives, gluten free options and less processed foods. Along with that, many restaurants are including their nutrition labelling on their menu, showing the calorie counts, ingredients and specifications of each offering (Gagić, 2016; Rowe, 2010).

Further, the consumers' needs are constantly evolving and the increased expectations regarding quality of food and service requires restaurants to quickly adapt to the customers requirements, therefore, many businesses are offering narrower and more specialised menus focusing on increasing the quality standards, speed, and delivery of a more personalised service to meet the customers expectations (KPMG, 2022).

Recent studies of innovation in restaurants (Ottenbacher & Harrington, 2007; Palmer & Griswold, 2011) shows that businesses concentrate their innovation activities on product

innovation, primarily on the addition of new menu items; however, even though this type of innovation is thought to be the most prevalent in the industry, Lee et al. (2014) argues that restaurants could significantly increase their competitive advantage by combining it with other types of innovation, such as marketing or technological innovation.

## 7.2 Marketing Innovation

The usage of novel marketing strategies, approaches or procedures with the goal of attracting new clients is defined as marketing innovation. in four different ways: implementing new pricing strategies, implementing a new retail concept (distribution channel), improving design (package and form), or implementing new promotion concepts (advertising on social media networks), see figure 4 (Voytovych & Polyak, 2019).

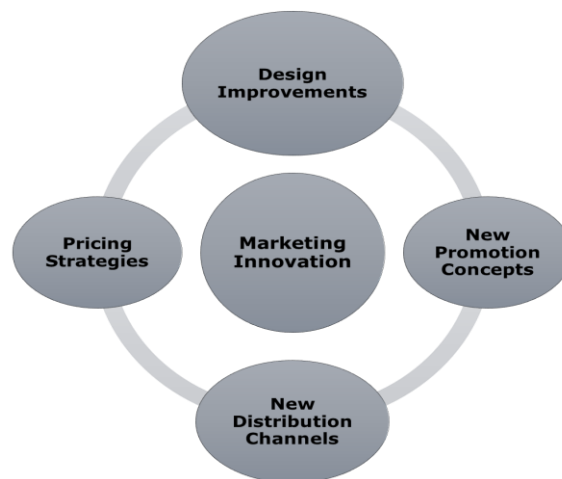


Figure 4 - Elements of Marketing Innovation

Source: Voytovych & Polyak (2019)

According to Kotler & Keller (2006) by implementing marketing innovations business can develop a closer relationship with clients and by meeting their needs, they become promoters of the business – transforming them into loyal customers who will become advocates of the brand.

In addition, marketing innovation helps businesses enter new markets by promoting products and increasing sales. This can be achieved by using the marketing mix, known as 4P, product, price, place, and promotion, which is a blend of the four marketing elements that can help businesses improve their competitive advantage (Ferrell & Hartline, 2011).

Thus, marketing innovations are considered important tools for hospitality businesses. By using new marketing methods and strategies that are not commonly used in restaurants, they have been establishing a new personalised relationship between businesses and customers (Camisón & Monfort, 2012; Salai & Kovac-Znidarsic, 2012).

According to Abimbola and Vallaster (2007) and Hwang et al. (2011) a good example of how marketing innovations have changed the relationship between customers and restaurants is the

adoption of social media to communicate directly with them. However, the benefits of marketing innovation go beyond, these innovations can help businesses to advertise their identity, develop a brand identity, position themselves in the market, build brand recognition, and cultivate consumer loyalty.

Hwang et al. (2011) and Gunday et al. (2011) explain the benefits earned by businesses who develop a good website page and design a strategic social media plan, that can help them to establish their brand online, attract new customers, promote their business and increase profits. Similarly, Harrigan et al. (2018) conclude that managers who invest in social media, websites, and other online platforms experience high customer engagement and increased brand awareness.

### **7.3 Process Innovation**

Afuah (2009) defines process innovation as the addition of new components in a business operations such as new materials, activities or equipment required to develop a product or deliver a service.

According to Braadland & Hauknes (2000) product and process innovations are commonly connected in the activities of the business. Process innovations are a relevant aspect of innovative activities carried out by businesses. In that regard, Peters (2008) affirms that common activities in the restaurant industry include the introduction of fresh or significantly improved ways to prepare food or provide certain services. Additionally, it offers methods and tools for producing food that are novel or greatly enhanced.

The main objective of innovative processes is to reduce the unit costs of products and significantly improve the quality of the service delivered (OECD, 2005). By implementing innovative processes, businesses can redesign and improve a process that is either costly, retains repeated activities, or generates waste for the business, for example adding automated processes in the kitchen to avoid food waste and gain time (Tether, 2005), for example, using a modern oven can bake meat for 3 min and a pizzas in 60 s (Bessant & Francis, 1999).

Fuad-Luke (2004) gives some examples of how innovative process can take place in restaurant kitchens by using the novel 2zones2 kitchen, which refers to the separation of zones in four functional areas, with the creation "cooking canals" for steel modules, additionally, refrigerated walls (Figure 5) are used to store the food, instead of fridges. In this configuration, the operations flow with safety (avoiding contamination), save energy (less air has to be cooled down) and add 50% more space in the kitchen.

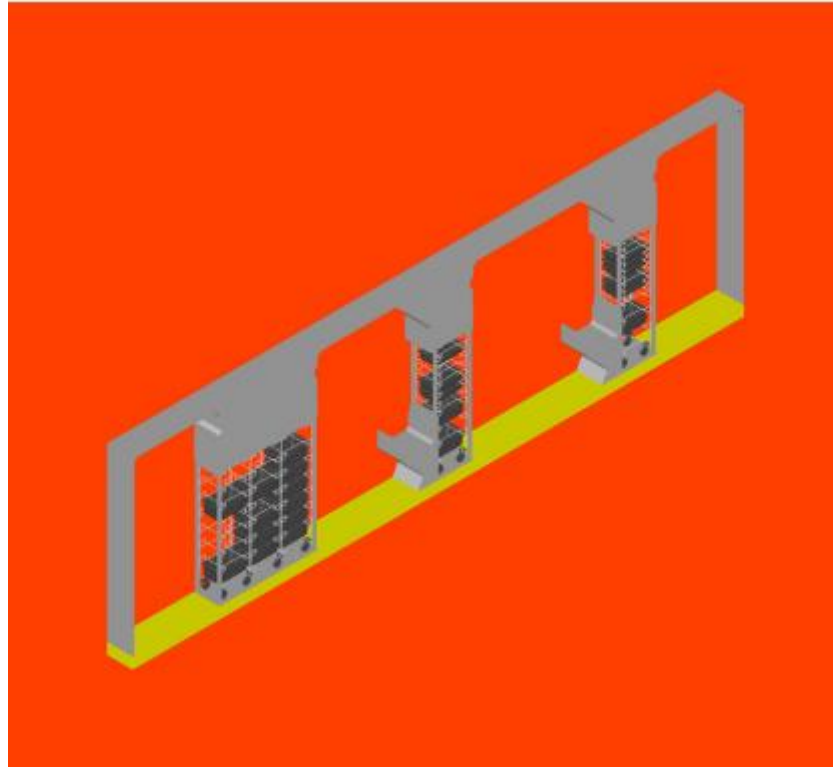


Figure 5 - Refrigerated Walls of 2zones2 Kitchen

Source: Fuad-Luke (2004)

Asheim & Isaksen (1997) pointed out that in the food industry, when innovation in a product is implemented, it is normally followed by innovation in processes. Therefore, when restaurants or other food businesses implement new products, investment in machinery and equipment is often necessary. This finding is supported by Christensen et al. (1996), who also found a strong relationship between product and process innovation in the food business compared to other industries.

#### **7.4 Technological innovations**

Afuah (2009) defines technological innovations as the expertise of elements, connection of components, methods or techniques necessary to design a new product, process or service.

In that scenario, technological innovations have been implemented in restaurant businesses to increase their efficiency, speed and standardisation (Nerkar & Roberts, 2004). Therefore, technology innovations such as the usage of IT tools are the result of the technological development of the restaurant sector, which is crucial for survival in the competitive market (Lee & Sardeshmukh, 2016).

According to a report from KPMG (2022) restaurant businesses are implementing modern technology in a variety of business activities, including ordering, payments, and loyalty programs, in order to adapt to the new customer's needs that require "fast" and "convenient" services. The same report lists the future trends of technological innovation, indicating that practices



such as face recognition technology and electronic payment technologies will also allow a tailored customer experience.

According to Dixon et al., (2009) technology innovations in restaurant businesses can improve the customer service by speeding the ordering (e.g., through the use of devices or QR code scanning); by optimising service management (via online booking systems); by simplifying payment; and by reducing turnover time.

Research conducted by Leung & Loo (2020) found a positive relationship between smart technologies and the value perceived by customers in a restaurant. The findings show that smart technologies associated with the customer experience in a restaurant can establish a close relationship between business and customer, providing a unique experience and delivering quality and efficiency in the service.

In that light, many restaurant businesses have been using artificial intelligence to enhance the customer experience, increase customer satisfaction and boost sales, which shows that the usage of artificial intelligence and digital technologies will play an important role in the food industry in the future (Cheong et al., 2021).

## 8. Barriers to Innovation

Implementing innovative practices requires relevant investment, time, assets and encounters risks for the business. Specially for small-sized business, the process of adopting to innovation can be depended on several factors such business model, cultural aspects, and the types of innovation adopted (Rosenbusch et al., 2011)

However, acquiring and implementing innovation can be limited by several barriers, specially for small/medium sized businesses. Primarily, the high cost of innovative products and/or services that require a high capital investment from business, while the substantial return in revenue is not certain or clear (Madrid-Guijarro et al., 2009).

Due to their constrained resources and experience, small-medium sized (SMEs) businesses can face various limitations and barriers during the innovation process. Hewitt-Dundas (2006) affirms that the primary obstacles to company implementing innovation are the the lack of funding, limited markets, limited government assistance and a lack of inventive behaviour

In that regard, Piatier (1984) classifies innovation's barriers into external and internal ones. External barriers are the forces outside the business, they can be related to the suppliers, demand or macroenvironment of the business. While internal barriers are related to the inside forces of the business, such as lack of financial resources, innovation knowledge, related to the company culture or manager attitude such as resistance to innovation.

In the analysis of barriers to innovation, the factors presented by CIS (2010), divide them into four different groups: economic, knowledge, market factors and reason to not innovate, as shown in Table 2.

Limited funds or resources to innovate	Economic Factors
High costs to innovate	
Lack of capable personnel	Knowledge Factors
Limited information about innovation	
Limited information about the market	
Issues finding partners to innovate	
Too competitive market dominated by solid businesses	Market Factors
Uncertainty demand for goods	
Innovation is already implemented	No need to innovate

There is no demand for innovation in the business	
---	--

Table 2 - Barriers to Innovation  
Source: CIS 2010 (CIS 2010:12)

The barriers described in the list can be considered external or internal, external barriers are those whose limitations arise from outside of the organisation while internal barriers relate to internal challenges in the organisation (Hadjimanolis, 1999; Lewandowska, 2014).

The economic factors cited in the list are considered the ones with the most strong impact in the innovation decision making, and are often related to the lack of financing and high innovation costs (Frenkel, 2003; Kenny & Reedy, 2006; Xie et al, 2010; Lewandowska, 2014).

According to research conducted by Hadjimanolis (1999), economic barriers are the most common limiting factors of innovation in businesses. Additionally, different researchers using the CIS data found out that expensive implementing costs and the limited resources for innovation are the main barriers that cause delays and revocation of innovation projects (Silva & Raposo, 2008).

Knowledge factors consist of capacity for innovation, this include the lack of qualified personnel, the management mindset and corporate culture of the company, also, limited information about technology and markets and the difficulty in finding partners for innovation projects. According to recent studies, the lack of capable personnel is one of the most common perceived barriers in the organisations (Perel, 2002; Yu et al, 2015;).

Market barriers such as uncertainty demand for innovative goods and services is also a common barrier in businesses that want to innovate (Chesbrough, 2010). According to Porter (1990), it happens because customers are becoming demanding, however, in a competitive market, trends can be very volatile, and the investment in certain innovations can be too high, while markets' demands change quickly.

## 9. Creativity Process of Innovation

Rogers (2003) states that the creative process of innovation happens in different stages, it is initiated by the information generation, then the idea is generated, processed and transformed into a type of innovation. It is followed by the approval stage and the last stage, which is the implementation.

In a different approach, according to Edwards-Schachter et al., (2015), the creative process starts by the idea generation, followed by idea elaboration and goes until the idea implementation phase, however, an idea creator is required to lead the process through the different stages, which can be an active innovative person in the firm.

The creative process of innovation can be originated from different sources and different actors can take the lead of the process (Tidd & Bessant, 2011). This process can happen in different forms, depending on the type of the business, however, the active participation of the stakeholders, managers, and staff during the innovation process in the restaurant business can be beneficial for the business (Loureiro et al., 2020).

However, recent studies show that the creative process can be performed at a group level, which brings a better and positive outcome in the process of innovation generation and implementation (Hon & Lui, 2016). Additionally, research conducted by Gong et al. (2013) shows that the creative process has a positive performance in small and medium sized businesses that have a direct communication flow.

The idea generation can happen from internal and external sources, examples of external active sources are customers, consultants, other businesses, competitors and suppliers, while internal sources of innovation can be staff, managers and stakeholders (Anderson et al., 2014). According to Chesbrough et al. (2006), business can also benefit from other external sources such as University programs or participating in research.

Utami et al. (2017) show the different actors present as external and internal sources of innovation in restaurant business. See Table 3 below.

Knowledge Sources	Actors	
Internal	Owners	CEO Stakeholders
	Front Office	Managers Chef Marketing R&D
	Back Office	Waiters Cashiers
External	Personal	Clients Suppliers Competitors Consultants

Knowledge Sources	Actors	
	Institutional	Universities Institutions programs Public Research

Table 3 - Actors of Innovation Source

Source: Utami et al. (2017)

### 9.1 Internal sources of innovation

According to Elche-Hotelano (2011) and Indarti (2010) the main sources of internal innovation are the staff, managers and stakeholders. In a similar research, Amara & Landry (2005) found that businesses that use several internal sources of information are more likely to implement innovations compared to other businesses.

In addition, Gong et al., (2013) affirms that the creative process of innovation in small and medium sized companies that use internal sources of innovation has a positive relationship with the business performance, because smaller companies have fewer layers of communication which allows a fast implementation of ideas.

- **CEO / Stakeholders**

According to Indarti (2010), in small medium sized businesses, the head office (CEO/stakeholders) are often the main source of innovation, they are the decision makers for innovation and responsible for developing the projects related to innovation.

Agogu & Hatchuel (2016) states that the head office are constantly searching for new ideas in order to improve the business' performance, therefore, they are considered the initiators of the creative process, however, they come with the ideas while someone from the management or the kitchen is the responsible to conduct the project. In the end, the head office is also responsible for the approval of the innovation, which often happens by analysing the costs and the potential financial benefits for the business.

However, Van Dijk & Van den Ende (2002) suggest that businesses can use the benefits of employees' ideas to improve the innovation process. While CEO and owners have a business oriented vision, the staff and kitchen can contribute with ideas that are customer-oriented, since they have direct contact with the clients and can gather direct information and feedback.

- **Back Office (Waiters, cashiers, etc)**

According to Deichmann & Stam (2015) there are many benefits in involving employees such as waiters, cashiers, etc., in the creative process of innovation. They state that it increases the

motivation of employees and the generation of ideas is intensified. In addition, they found that by gathering innovative ideas from employees, businesses can improve their processes and enhance business performance.

Amara & Landry (2005) conducted a research in Canadian businesses that found out that firms that used the back office as internal knowledge sources to develop innovations had a positive improvement in their innovation capabilities.

According to Liu & Liu (2008), the knowledge sharing between staff allows employees to be more participative and to share their ideas and insights, this can improve the communication within the company and optimise the innovation sources.

However, creating an integrated and open organisational culture can be a challenge for many businesses, in that light, Hon (2014) emphasises the importance of an open culture that involves direct participation of the staff members in the innovation process. By encouraging ideas sharing and rewarding employees that contribute with their knowledge, businesses can enhance their competitive advantage by appropriately gathering, sorting, developing and encouraging the business' human capital.

- **Chef**

The chef's role in the creative innovation process in restaurants has been studied by several authors (Sánchez & López-Guzmán, 2018; Mohanty et al., 2022). And, according to Bockelman & Braun (2013), in restaurant business, chefs are perceived as the main actors in the process of innovation, with the inclusion of their co-workers as the central innovation team.

The contributions of chefs can happen in different stages of the innovation process. A chef's innovation process has seven primary steps, according to Ottenbacher & Harrington (2007): concept generation, idea screening, idea testing, innovation definition, approval, team training, and production.

According to Mohanty et al. (2022) the process of creativity innovation is constantly present in the chef's mindset. They (2022) state that the creativity process relies on the chef's skills to be innovative, to create new methodologies and to manage time, ingredients and the staff appropriately. Therefore, frequently, the initiative of innovation becomes part of the chef's responsibility in the restaurant. Similar findings published by Ottenbacher & Harrington (2007) affirmed that "chefs must be able to adapt and evolve if they wish to be successful in the short and long term".

On the other hand, Robinson & Beesley (2009) shared a different view on the chef's activity in the creative process, they affirm that innovation does not need to be a novel or a completely new recipe, it involves the presence of creativity in any stage such as preparation, combination, transformation, or a new presentation of an existing meal.

In their research, Stierand & Lynch (2008) suggest "that future studies should explore the perceptions, beliefs, explanations, and views of innovating chefs and analyse the consequences these chefs face for their innovating behaviours and those with whom they interact."

## **9.2 External sources of innovation**

According to West & Borges (2014) certain businesses, such as independent non franchise restaurants, when deciding to innovate should not focus exclusively on internal knowledge, but look for external ideas to improve their business operations.

A company can source creative ideas from various external sources such as its clients, competitors, service providers, universities, researchers, and government programs (Laursen & Salter, 2006; Indarti, 2010). These partnerships between business and different external sources define the width of innovation in these firms (Laursen & Salter, 2006).

According to Camelo-Ordaz et al. (2009), using a variety of external knowledge sources during the creative process of innovation provides access to different forms of expertise and increases the innovation success rate. By using external knowledge sources, firms can access updated information and specific data that are not found internally (Liu & Liu, 2008). Updated knowledge can help firms develop a personalised combination of knowledge, which is the basis for the implementation of innovation (Katila & Ahuja, 2002).

A study conducted by Amara & Landry (2005) found similar results; they concluded that the use of different external sources of information during the creative process of innovation has a positive relationship with implementing changes in a firm. Similarly, Chiang & Hung (2010) found that a wider source of external knowledge helps implement innovation within a firm (Laursen & Salter, 2006).

Therefore, it is clear that the more external knowledge sources used during the creative process, the higher the chances that the company will become innovative (Chiang & Hung, 2010; Henttonen et al., 2016). Katila & Ahuja (2002) also found a positive relationship between external knowledge and innovation capabilities.

## **10. Research Method and Design**

Baskarada (2014) affirms that qualitative, quantitative, and mixed methodologies research are the three primary categories of research methods frequently mentioned in literature (Baskarada, 2014). According to Kemparaj & Chavan (2013) and Macfarlane et al. (2015) qualitative research can be used on a small sample or a target group. They state that the primary goal of qualitative research is to give insights and in-depth information on a phenomena in order to learn more about a particular issue through in-person interviews or direct observation.

The present study used a semi-structured questionnaire (Appendix 1) based on the subject approach of the Oslo Manual (2005) guidelines for innovation to conduct an interview. The questionnaire followed the guidelines regarding homogeneity of the industry, business size, respondent position and simplicity of questions.

Semi-structured questionnaire was used in order to gather socio-demographic and personal information about the restaurant and the manager. The aim of these interviews was to get an increased knowledge regarding the role of innovation in creating competitive advantage, while understanding the barriers that managers face when deciding to innovate and the importance of innovation in such a competitive market.

The interviews (Annex 3) were conducted with a focus group. According to Denscombe (1998), a focus group refers to a small homogeneous group of individuals that is interviewed by a researcher who wants to understand their feelings, perceptions and perspective regarding a certain topic.

The sample for this study referred to managers of five different restaurants located in Brussels city centre. The participants were previously contacted via e-mail and voluntarily agreed to participate in the research, additionally, confidentiality and privacy concerning their identity and data were ensured before the start of the interview.

By using a semi structured approach, the managers had the opportunity to talk openly about their experiences, issues and perceptions of innovation, while the interviewer followed the questions in order to focus on the subjects relevant for the research. The key sections of the questionnaire were types of innovation, motives vs barriers and importance of innovation vs market issues.

The interviews took place in the restaurants, between March 2013 and April 2013. All interviews were recorded and the recordings were transcribed and the data was analysed through thematic analysis following the procedures recommended by Braun & Clarke (2006) and Boyatzis (1998).

### **10.1 Data Analysis**

The present study refers to a thematic analysis, which, according to methodology developed by Patton (1990), can be carried out by two different approaches, the inductive or theoretical (deductive) approach. In the first approach, there are limited pre-existing coding schemes, therefore, the data itself generates the themes during the analysis. On the other hand, in the theoretical approach, the researcher starts from developing the coding schemes based on prior literature research with specific research questions before carrying out the analysis.



In this research, the method of theoretical approach was chosen as the main form of analysis. The choice was made based on the pre-existing research questions and based on the predetermined coding schemes generated from initial literature research about innovation in restaurants (Lee et al., 2019).

This approach is supported by Eisenhardt (1989) who developed a similar analysis called deductive bottom-up approach to theorising, where the research questions are designed in advance and the coding and schemes are based in the literature research. In the case of the current research, the themes selected were types of innovation, motives and barriers to innovation, importance of innovation and market trends.

After conducting the interviews and gathering all the relevant data for the analysis, the thematic analysis method was conducted. First, each interview was transcribed and proofread several times in order to avoid any error or inaccurate information. Then, a coding template was designed from prior literature research about innovation. The transcripts were assembled and ranged based on the coding schemes, finally, codes were organised according to the themes and the researcher assembled each theme in its relative position. The result was a code of three dimensions with thirteen second-order themes that generated the main ideas of the findings and discussion (Table 3).

<b>Aggregate Dimension</b>	<b>Second-order themes</b>	<b>First-order themes</b>
Types of innovation	Marketing	Service delivery Price reduction Happy hours Online marketing Online reservation Visual advertising Apps Social media presence
	Product	New menu items Dining atmosphere changes
	Process	New kitchen equipment
	Technological	Artificial intelligence Payment online QR code ordering Electronic wallet Face recognition
Barriers to innovation	Economic Factors	Limited funds or resources to innovate High costs to innovate
	Knowledge Factors	Limited information about innovation Limited information about the market Issues finding partners to innovate
	Market Factors	Too competitive market dominated by solid businesses Uncertainty demand for goods
Trends	Product focused	Personalisation Refined to tasted Attention to health Simplicity Local/regional food
	Business focused	Accessible prices Sustainability Technology
Creative Process Source	Internal	Head Office/CEO Managers responsibility Chef Team involvement
	External	Customers insights Supplier partnership Competitors networking Consultants

Table 4 - Data Structure. Source: Author

## 11. Results and Discussion

This research examined the sorts of innovations used in restaurants, how they are applied, and the common barriers that constrains innovation growth.

In order to examine differences in restaurant operations and to check the homogeneity of the focus group, it was performed a sociodemographic analysis in the first place (Table 1).

Manager (code)	Gender	Age	Local	Cuisine type	Number of employees	Capacity	Years operating
M1	Female	18-24	Brussels Centre	Japanese	10	65	10 years
M2	Male	25-34	Saint Gilles - Brussels	Brunch & coffee	10	60	3 months
M3	Female	25-34	Saint Gilles - Brussels	Brunch & coffee	12	40	7 years
M4	Male	25-34	Brussels Centre	Belgian	30	90	5 years
M5	Male	45-54	Brussels Centre	Brazilian	10	60	21 years

Table 5 - Demographic data

Source: Author

The five restaurants have a similar profile as recommended by the Oslo Manual (2005) about innovation. The five restaurants are non franchised with casual style. Restaurant 2 has started to operate recently (3 months), while Restaurant 5 has been operating for 21 years. According to the food style, they vary between brunch & coffee specialities to traditional food from different cuisines (Japanese, Brazilian and Belgian). Managers consist of two females and three males and capacity of the restaurants are also closely similar.

The questionnaire was divided into four main sections about innovation: Types of innovation, Barriers, creative process and market trends.

### 11.1 Types of Innovation

#### RQ 1: Which type of innovation has been implemented?

Managers were asked whether the business' concept of the restaurant is based on a certain type of innovation, the five participants were positive about the question. According to the definition of Rapacz et al (2022) the four types of innovation commonly applied in hospitality businesses are products, process, marketing and technological innovations. The five managers have reported to have their concept based on a certain type of product innovation.

M1 refers to their innovation as using "*honest ingredients*", since all their suppliers are local and they do not use chemicals or industrialised products. M2 states that the business concept is based on being "*specialised in innovative coffees and local craft beers*". M3 affirms that the restaurant is unique due to his wide offer of "*coffee, brunch containing poached eggs and salted waffles (...) something you do not find anywhere else in Brussels*". M4 answered that the dishes are "*traditionally made in a twisted way with some modern inspirations (...) and the cocktails that we create on our own*". Finally, M5 says its innovation is based on "*using tradition, we have the difference of basing our recipes on the Brazilian roots*".

Research conducted by Gherib et al (2018) found that the main form of innovations in restaurant businesses happen with changes in the menu, since it is the most direct form to attract customers. The findings show that 94% of restaurant owners have changed items of their menu in the previous year and decided to partner with local markets and producers, which had attracted new clients.

However, research conducted by Lee et al (2019) with 18 restaurant owners in Australia found different results, in their sample, marketing innovations were the main type of innovation implemented. Camison & Monfort-Mir (2012) define marketing innovations as the use of new marketing methods such as product or brand design, promotional strategies and pricing. This type of innovation is beneficial to restaurant businesses that want to gain competitive advantage, since it helps restaurants to stand out of competition, attract new customers and increase revenues. However, none of the respondents have reported to have implemented any type of marketing innovation.

When asked if any type of innovation has been implemented in the last six months in the business, four (M1, M2, M4, M5) of the managers have reported to have introduced new items in the menu, which is considered a type of product innovation, according to Rapacz et al (2022). However, M3 has reported the recent purchase of a Skim Milk machine, which is categorised as a form of process innovation:

*"We bought a machine which is called Skim Milk Machine to make our life easier in our daily rush to make cappuccino faster and with more quality and also to make it easier for us and for new baristas"*

According to Afuah (2009) process innovation refers to the addition of new components in a business operations such as new materials, activities or equipment required to develop a product or deliver a service. Complementary, Hjalager (2010), defines process innovation as the activity that takes place in the operation part, where the main goal is to increase efficiency and productivity.

The innovation in processes can help businesses to redesign and improve a process that is either costly, retains repeated activities, or generates waste for the business (Tether, 2005). These benefits were reported by M3 as the main perceived benefit of using the machine in the production process:

*"It is helping us not only in facilitating new employees, but also saving time because the process has become faster, (...) with this machine you learn this immediately, so you save training"*

*time and money. It makes the milk perfect, ready, right temperature, right consistency quickly in 30 seconds."*

The fact that other restaurants do not have introduced any innovation in process can be explained by Rodgers (2007) who affirms that restaurant managers wait for suppliers to propose or to suggest the possibility of acquiring new equipment, therefore, managers depend on external sources of information to innovate and do not take the initiative look for this type of innovation.

When it comes to future innovative projects, most of the respondents do not plan to implement any innovation besides new menu items. Only M1 has stated the plan to implement the QR code system for ordering.

*"They also want to work with QR codes so clients could see the menu and take their order, especially if you're sitting at the terrace outside."*

According to Dixon et al., (2009) this type of innovation (QR code ordering) is defined as technology innovation and it can help the business to improve the customer satisfaction and the service efficiency by speeding the ordering time, additionally, they (2009) found that most of the customers respondents prefer online or QR code ordering when compared to traditional paper menu ordering.

#### **11.1.1 Drivers of Innovation**

Managers were asked the main drivers of their innovation, answers were:

*"Kind of a personal decision. I think it was from the head office."*

(M1)

*"It was just more of an idea since there are a million different restaurants in the area who are doing what we are doing now. And so we wanted to have something else (...) the idea was just to differentiate."*

(M2)

*"Saving training time and money."*

(M3)

*"We could have a small section of the kitchen operating longer than 10:00 p.m."*

(M4)

*"We wanted to boost our sales, to use ingredients that we already have in our kitchen and to bring new things to our customers."*

(M5)

Recent studies conducted by Grobelna & Marciszewska (2013) and Río-Rama et al (2017) found that the main drivers for innovation in restaurants are reducing costs and increasing quality, which is similar to the respondents' statements about "saving time and money", "boosting sales", "operating longer hours" and to "differentiate".

Similarly, Campo et al (2014), Kessler et al (2015) and Río-Rama et al (2017) found out that cost cutting in the process and production in restaurants is the main reason why managers, chefs and overheads decide to implement innovative practices.

When it comes to the barriers to innovation, respondents were asked to look at Table 2 outsourced from CIS (2010) and to identify and point out the most common barriers that they face when deciding to innovate. Four out of five respondents pointed out "high costs to innovate" as the main barrier encountered in the decision making process. Further, M1 and M4 added limited information about the innovation as the second main barrier, while M2 and M3 pointed out the second barrier as "lack of capable personnel". M4 was the only one to add "uncertainty demand for goods" as an additional barrier to innovation.

The findings are supported by studies from Lee et al. (2016) and Hittaker et al (2016), where they report that small-medium sized restaurants have limited resources and funding to invest in creativity and other types of innovation, these businesses often do not have a specific budget for research and development. Therefore, the high costs of implementation and lack of financial support are perceived as the main restraints to innovation in restaurant businesses. (Madrid-Guijarro et al., 2009; Oke, 2004)

### **11.1.2 Difficulties while implementing Innovation**

Managers were asked whether they had encountered any difficulties while implementing innovation. M2 and M5 were the ones to not report any relevant difficulties during the implementation phase. However, M1 reported that the adaptation to the new menu was difficult because there was not enough training in advance. She stated:

*"I would say it was difficult because normally when there's a change going on in a company everyone needs to be informed (...) But I feel like this change with the menu wasn't informed enough or on time. So there wasn't a day where we could really like, study the menu and see how every dish is being made. The kitchen was up there, the kitchen looked like one dish being made. And they had to adapt for a few weeks as well." .*

According to Klein & Sorra (1996), the implementation of innovation has to be followed by encouragement, training and rewarding of the employees who will use the innovation. They address that the efficiency of the innovation implementation is based on three important aspects: a) importance of ensuring the employee skills in innovation use, b) promoting incentives for those who use the innovation appropriately and c) avoiding the barriers to innovation usage. Finally, they highlight the relevance of the training regarding innovation with appropriate and enough time to learn in order to ensure the correct use of innovation by every employee in the firm.

M3 and M4 were the ones to report a resistance of the employees to use the innovation (Skill Milk machine). They stated respectively:

*"You will always feel resistance to new things here and it was no different this time. In the beginning it was difficult and it still is because we are still in the adaptation phase of convincing the employees*

*to accept that machine in the work environment and convince them that it will actually help them save their time. Yes, I still suffer, but little by little we are talking to people and showing them the advantages. We also learn to use the machine more for our own benefit.”*

*“ Yes (...) resistance from the team because it demands chefs to stay a bit longer at work. So of course they were not happy because usually they were cleaning half to ten, (...) and then leaving ten minutes after ten. And [now] like that one person has to stay until midnight and has to clean everything after pizza.”*

The findings are supported by Hon et al. (2011) who affirm that innovation produces resistance in the employees for different reasons, but mainly due to the lack of technological knowledge to manage the innovation which causes insecurity in the employees. They conclude that education and training is the primal way to overcome resistance to innovation, therefore, employees “should become the protagonists and not victims of innovation”. However, it can only be achieved when employees have a clear vision and delegation of their tasks and activities related to the innovation.

## **11.2 Barriers to innovation**

R2: What are the main barriers to innovation?

When it comes to the barriers to innovation, respondents were asked to look at Table 2 from CIS (2010) and to identify and point out the most common barriers that they face when deciding to innovate.

Limited funds or resources to innovate	Economic Factors
High costs to innovate	
Lack of capable personnel	Knowledge Factors
Limited information about innovation	
Limited information about the market	
Issues finding partners to innovate	
Too competitive market dominated by solid businesses	Market Factors
Uncertainty demand for goods	
Innovation is already implemented	No need to innovate

There is no demand for innovation in the business	
---	--

Table 2 - Barriers to Innovation

Source: CIS 2010 (CIS 2010:12)

Four (M1, M2, M3 and M5) out of the five respondents pointed out “high costs to innovate” as the main barrier encountered in the decision making process. Further, M1 and M4 added limited information about the innovation as the second main barrier, while M2 and M3 pointed out the second barrier as “lack of capable personnel”. M4 was the only one to add “uncertainty demand for goods” as an additional barrier to innovation.

Regarding the “high cost to innovate” barrier, M2 referred to the barrier as a constant issue in their business:

*“Everything is really expensive. Right now we regularly analyse costs, so we analyse the invoices and how much the products cost. And we had four dairy products from January last year to this January, with an overall increase of 45% (...) some things went up 60% this year (...) this is a problem, because we could not simply adapt the prices, some people can afford it otherwise, so we try to find other solutions.”*

The findings are supported by studies from Lee et al. (2016), where they report that small-medium sized restaurants have limited resources and funding to invest in creativity and innovation projects; these businesses often do not have a specific budget for research and development. Therefore, the high costs of implementation and lack of financial support are perceived as the main restraints to innovation in restaurant businesses. (Madrid-Guijarro et al., 2009)

Despite this, there have been studies that have covered the barriers on innovation in different types of businesses, however, from various angles. It can be noted that other studies' findings have similar results compared to the present research. In that matter, Chesbrough (2010), found that the absence of external funding is a common barrier to innovation in small-medium sized businesses. Similarly, Silva et al. (2008), affirms that the high costs of innovation and the lack of funding sources are limitations to firms' ability to innovate. Finally, Garca-Vega & Lopes (2010), claimed that the main factors related to the absence of funding, market factors, and factors of knowledge are barriers to innovation.

According to OECD (2005) a form that businesses can overcome financial barriers is through the government support and policies such as professional assistance in innovation through public programs, funding for research and development, however, other external partners can help promote and support innovation such as research ventures and universities.

According to Dabla-Norris et al. (2012) it is recommended that businesses have a specific budget for innovation in order to support creativity and facilitate the implementation of innovation projects; they affirm that businesses that do not foster innovation have a negative business performance.



The "limited information about innovation" barrier was further discussed with M1, as she stated that the business does not innovate because the head office does not have an innovative mindset, therefore, their focus is mainly in the commercial part of the business.

*"I think they do not look for information, they are maybe centred on the commercial aspects of making money."*

In their research, Bommer & Jalajas (2004) found similar results, they stated that the fact that implementing new innovations in restaurant businesses requires financial investment and risks, owners and managers do not have the willingness to innovate and prefer to keep their traditional activities.

Complementary, Johnson (2010) conducted a study that found out that the lack of innovation knowledge reduces the ability of businesses to generate value to their customers. Consequently, it will not allow innovations to succeed. Therefore, lack of information on innovation is one of the main barriers that restrain the development of new technologies and innovation (Baldwin & Lin, 2002).

The knowledge factor "lack of capable personnel" was cited by M2 as a concern due to the fact that the restaurant industry has limited human resources when it comes to skilled workers:

*"In other bars and restaurants, there's a huge, huge lack of cooks (chefs), for instance, or baristas, like qualified people in the Horeca sector in Belgium."*

According to Retkoceri & Kurteshi (2018) "the human resources, with low education and lack of knowledge, have been found to be a barrier in diffusing innovation. Therefore, employee skills should be considered seriously before engaging in innovation activities."

An extra factor, outside of the Table 2, was addressed by M3, which is the lack of time to invest in innovations. She stated that she is constantly overwhelmed by several tasks that innovation simply not become a priority:

*"To keep thinking and studying, analysing new ideas demands other activities like buying a new freezer (...) I need to do a thousand things, send a thousand emails to suppliers that end up leaving no time to focus on the creative part which is a very nice thing to do too, but it's not a priority and other more urgent things are more urgent."*

Similar finding was reported by Hadjimanolis (1999), he affirms that, in small-medium sized business, managers are responsible for several daily business tasks which compromises the creative generation of ideas, which are often left aside, therefore, the innovation performance is often limited. Likewise, Lee et al., (2014) found that restaurant owners reported difficulties to develop an innovative culture within the organisation due to the several ongoing daily activities of the restaurant.

### 11.3 The Creative Process of Innovation

RQ3: Where does the creative process of Innovation come from?

When asked who were the main responsible and initiators of the creative process, the responses were divergent. The M1 and M3 stated that the main responsible for innovation in the restaurant is the CEO and head office. They answered, respectively:

*"I think before it was the CEO who decided everything, but now it's more his wife (head office) who's taking care of everything (innovation)."*

*"It comes from the top, it comes from the owner, he is very present so it depends on the week. So he has a lot of knowledge, I learn a lot from him and at the same time he comes up with new ideas and gives me freedom to create new things."*

Two managers (M1 and M4) have reported that the company has a close corporate culture, which centralises the decision about innovation in the CEO's (head office) hands. M4 and M1 reported respectively:

*"(The creative process) It's blocked. So it's like there is no space for contribution. And usually these ideas are put down saying that, okay, you do your job, I do mine."*

*"I think (you are listened to) just if you're higher in the hierarchy, the majority listened to so I would say they are not the service (...) from the moment if you're a manager, they might listen to you."*

This is perceived as negative by Weilin et al. (2020), they stated that owners should create an open and collaborative environment that allows the participation of employees in the creative process of innovation, as a result, businesses would experience a better working environment and increased motivation.

According to Al Mehairi (2013) an organisation can gather several benefits for having an open culture system, the main benefit is the ability to incorporate and absorb valuable knowledge from employees., which lead to increased productivity, improved communication flow and better employee engagement.

On the other hand, M2 had reported that staff and managers are collectively the main source of innovation in the restaurant. He reported:

*"I think it's a mixture of both (staff and managers). So we try to be very reactive. So we have weekly meetings with my business partners. And so we decided what the weaknesses are and how we can improve them. And at the same time more on a monthly basis, we have staff meetings where the staff can also bring their ideas and inputs and try to respect whatever they bring to the table."*

Managers were also asked whether there is any form of reward or recognition for employees who contribute or come up with creative ideas, however, they have all stated that such a rewarding system does not exist in the business. Therefore, there are no incentives for knowledge contribution in innovation in any of the businesses participating in the study.

In certain independently owned restaurants, according to Sok & O'Casey (2015), staff members can actively participate in the innovation process by nurturing creative ideas and putting them into practice. Additionally, Ganter & Hecker (2013) address the importance of the manager role during the innovative process, they state that managers are "the front line" of the innovation team, therefore, they should also hire creative employees that could contribute to the innovation process (Grissmann et al., 2013).

Following the definition of Fiorelli et al. (2018), the restaurant where M2 is managing, can be considered to have a creative oriented culture. According to their (2018) definition, it refers to a business where employees receive incentives to share ideas and insights, and the business is open to change and adapt to trends in the market.

The managers M4 and M5 responded that the chef is the main actor in the creative process of innovation. They said respectively:

*"So the chef and sous chef are responsible for the card and for the new things, let's say, food festivals or food events."*

*"They are generated by the team. There is no specific person who does this. No, each one has an idea and then puts the idea together and if it is good, we move forward. But the most artistic person in the restaurant in terms of decoration and ideas and everything, is Ricardo (the chef)."*

Several studies in restaurant innovation (Zalesnik, 2004; Tichy, 1990; De Vries, 2006) have found that chefs are the main innovative leaders in restaurant businesses. Additionally, research from Chossat & Gergaud (2003) states that a chef's knowledge and creativity are the main important factors for the success in a business restaurant.

Complementary, Suhairom et al. (2019) affirms that the success of the chef's work in a business is directly related to the chef's skills in research, innovation and creativity. This idea is confirmed by Bouty & Gomez (2013) who affirm that resources like ingredients, tools, and equipment are sources of creativity and that chefs are the ones who create the creative process.

The managers were asked how much freedom they have the freedom to implement any change regarding innovation in the business. Managers 1 and 4 reported that the business is not open to change:

*"No, no, I really don't have this independence to change anything there."*

*"I have the freedom to offer something, but it is often not taken into account."*

On the other hand, M2, M3 and M5 reported to have freedom to introduce changes in the business:

*"More out of respect that we try to include all the business partners and their ideas, but for the rest, I have complete freedom to do what I want."*

*"I have the freedom to do this, but I try to step on the brakes a little bit because I'm the one who takes care of the bills."*

*"Yes, we are very open to everyone in the team who wants to suggest any change."*

Several studies (Cadwallader et al., 2010; Santos-Vijande et al., 2016; Stock et al., 2013) have analysed the influence of employee participation in the innovation implementation process, and they found that front line employees can provide unique and valuable insights along the innovation development process, therefore, they are considered valuable human assets in recognising and developing new innovative opportunities for the organisation.

In that sense, Kearney et al. (2014) recommend that business' owners should create innovation teams where employees could contribute by sharing their ideas, they (2014) state that restaurants can increase their competitive advantage by creating a cross-functional innovation team.

In the current research, the managers have not reported the presence of a team responsible for innovation in the restaurants. Additionally, all the managers reported to use exclusively internal sources of information for innovation (CEO, staff, managers and chefs). They all have stated to work closely with local suppliers, however, they have not described any type of innovation or project developed together. These findings are supported by Hallak et al. (2011), who claimed that non-franchised restaurants have a high level of entrepreneurial self- efficacy (ESE), which means that they rely on their own abilities and skills regarding innovation.

#### **11.4 Market Trends**

RQ4 : What are the main future trends perceived by managers in this industry?

In this part of the interview, the managers were asked to carefully look at Table 1, where the main future market trends for restaurant businesses were listed. Further, they were asked to point out the ones that they find most relevant in the industry today according to their experiences.

No.	Trend
1	Technology
2	Sustainability
3	Attention to health
4	Local and regional food
5	Accessible prices
6	Personalisation service
7	Refined tasted
8	Simplicity

Table 1 - Evolving trends: Eating in 2030.

Source: (BCFN, 2012)

Results were ranked as local and regional food (M1, M2, M3 and M4), attention to health (M3, M4 and M5), and sustainability (M1 and M2). The findings are aligned with results from a survey conducted by The National Restaurant Association (NRA) in the USA which pointed to local food, healthy menu items and sustainability as the main trends in the restaurant business.

The five managers (M1, M2, M3, M4 and M5) have reported to work with local suppliers. Most of them perceive it as the main important trend in the industry at the moment:

*"Now we are trying to buy wines from very small places and local places and based on bio growth of the grapes." (M4)*

*"We work with local breweries, we work a lot with local producers and with connectors to get the sausage from a local butcher from here, they have higher quality, according to our shopping list we have multilocal partners." (M3)*

M3 reports to buy from local producers due to higher quality as well, as seen above. This finding is supported by Gagic (2016) and Kline et al. (2016), they report many benefits perceived by restaurants who decide to partner with local producers and use seasonal ingredients. Mainly, they can take advantage of their dynamic capabilities to create innovative items for customers.

Similarly, Padval (2020) agrees that locally produced food offers great benefits for consumers, such as more nutrients, more flavourful and freshness. These benefits are perceived due to the shorter travel between harvest and final consumption, which ensure freshness, intense flavour and more nutrition.

Faure et al. (2018) analysed the consumer behaviour of consumers who decide to purchase local food, they affirm that these individuals are more likely to be more conscious about the impact of their consumption and to choose sustainable sources of food.

The local produced food is directly linked to the second trend pointed out by the managers, which is attention to health. M1 talked about the current activities of the restaurant towards that trend:

*"We try to make more options for everyone. Inclusive options like for vegan vegetarian people. I mean, it's still not gluten free, but they're getting there. So they added more vegetarian options and stuff. And they always try to come up with something seasonal."*

The five managers reported to have vegetarian options in their menu, however, M4 shows concerns about their food, he thinks the business could invest more in healthy menu options since customers are asking for it:

*"I think we could focus more on this kind of attention to health as well because our food is great but it's greasy, you get fat. We don't have many vegetarian options, we don't have vegan options. People tend to ask more and more about it. So I think this is where we should shift to having at least two, three, four dishes that are all vegan or light, dietetic, gluten free."*

According to Zendeli & Pushkule (2018) the trend towards healthy diet increased the consumers' knowledge about nutrition and food, which led to an increase in consumption of low fat, low carb products, and others. Therefore, restaurants should make their menu more inclusive, by adding vegan, vegetarian, and other healthy items options available.

When it comes to sustainability, all managers have reported to understand the relevance of the trend in the business, however, none of them have introduced any sustainable practice. Therefore, they do not consider themselves "sustainable" yet.

M4 mentioned that they have donated food in order to avoid waste and use recycled wine bottles, however, he does not perceive the business as sustainable:

*" We donate food (...) We had the type of wine with reusable bottles that was coming to us. People were drinking this wine and the supplier was taking wine bottles from us [but] we are not at all perceived as eco or sustainable."*

M3 affirms to understand the relevance of sustainability in the business, however, states to not give the topic a priority in the moment:

*"It was a topic for a long time here inside the restaurant (the girl who worked in the Office, she is very into this), so I agree with sustainability if I am in favour of it, but I confess that it is not my priority."*

According to a report from NRA (2019), restaurants have increased their sustainable practices in the last decade as a response to the shift in society values. Examples of sustainable operations are energy saving equipment, recycling programs, food from sustainable resources and composting, and others. Therefore, by adopting sustainability practices, restaurants can increase their competitive advantage.

Various researchers (Lee et al., 2014; Kim et al., 2013; Namkung & Jang, 2013; Choi & Parsa, 2016) have found numerous benefits for restaurants who promote a favourable healthy image and adopt sustainable activities, such as improved reputation, enhanced brand image, waste reduction, booster customers' visits, attracting new health-conscious consumers, and increased customers' satisfaction.

## **11.5 The role of innovation for competitive advantage**

RQ4: Does innovation increase the competitiveness advantage of restaurants?

The present study followed the concept from Cho & Lee (2019) and Bărbulescu et al. (2021) about competitive advantage, who stated that businesses that design strategies for their innovation processes benefit from their functional capabilities and use appropriate measurement methods of these capabilities. Therefore, managers were asked whether they have developed innovation strategies to achieve competitive advantage. None of the managers reported to follow a specific plan or strategy, however, M4, M2 and M3 (respectively) reported to follow specific steps for new product development and the usage of marketing tools such as social media:

*"So first it's like the chef checks the supplier, calculates the food cost, calculates the profit and checks if we can really be supplied constantly with the product. So let's say we have a new burger on our menu, so we need to make sure it's one of the top three dishes bought in our restaurant... So this is the other part. And then we have a general manager that is just trying to implement it and organise with the social media person. How do we promote it, how do we go with that? When do we start? How should we prepare?"*

*"We see what's new, and we taste it and then decide on the [new] products. Okay, and then the most important thing right now is Instagram. It's the new trends, like the new things that are happening, our biggest communication tool is Instagram."*

*"I research, then I test. And then in this test I see the preparation time, then I really test the taste of doing it and then I ask for everybody's opinion. I think that this creativity process of bringing new things is also a group thing that we do collectively as a team, then I see the cost. I check the supplier that costs, profit images are very important. The end I see the marketing and then I send some emails, talk, add it there, and then I communicate with the team."*

According to Tali et al., (2021) to guarantee a sustainable growth and effective implementation of innovation for small and medium businesses is directly related to a strategic business plan that describes the objective of innovation, explains its operations and methods of usage and specifies the responsibilities of each employee involved.

Similar studies conducted by Warner & Wager (2019) and Arranz et al. (2020) also found a positive relationship between innovative strategic planning and the development of competitive advantage as a core capability for small and medium businesses sustainable growth. Therefore, the lack of strategic innovation planning can disrupt the role of innovation as a competitive advantage enabler (Hewitt & Van Rensburg, 2020).

When it comes to the marketing practices, O'Cass & Weerawardena (2009) and Weerawardena (2003) found that incorporating marketing tools within an overarching innovation construct had a positive impact in the innovation process and improved the effectiveness of innovation projects.

According to Agashe & Khan (2018) marketing innovative practices such as experiential marketing, product placement, guerrilla marketing, in-store advertising and social media advertisement are effective in creating awareness about the product/service, engaging with target

customers and improving customer retention. However, the managers have reported the usage of social media exclusively as the main marketing channel.

Another research conducted by Nuryakin (2018) concluded that marketing practices have a positive effect on innovation and increase the competitive advantage of businesses. The findings aligned with results from Smirnova et al. (2011) where they found a positive relationship between marketing orientation and innovation performance.

Furthermore, the managers were asked if the innovation has been perceived as beneficial to the restaurant, M1, M3 and M5 reported to see benefits such as customer satisfaction and increasing of sales, while M2 and M4 (new sandwiches and pizzas respectively), reported to be unsatisfied with the results. M4 stated the disappointment with the sales:

*"We don't sell as many (pizzas) as we thought we would do. The chef of the kitchen thought it's going to be like 100 pieces per day, but it is not 100. It varies between 30, 60."*

About the introduction of sandwiches in the menu, M2 reported:

*"Very quickly we saw that it was not very adequate for the neighbourhood as here in Chatelain you have a lot of upper class. Like customers who prefer maybe some healthier food."*

These findings are supported by research from Rasa (2019), where he analysed the level of satisfaction of customers about several types of innovation in a restaurant, the results showed that new menu items were ranked as one of the most appreciated innovation from the customer perspective, therefore, they concluded that new menu items can potentially increase the satisfaction level of customers looking for new dining experiences.

Furthermore, respondents were asked how they measure the success of the innovation implementation, they reported to check the sales report, listen to customer feedback or online comments.

*"We have reports and we see how much of what we sold. " - M4*

*"I couldn't quantify in figures because it is very difficult, also because recently we had price increases, right? The prices increased and it was such a complicated period." - M3*

*"So first, I can do Google reviews, reply to every comment and try to explain and try to learn lessons from it. And the feedback from the customers we accept but then on the other hand, we listen to feedback." - M2*

Customer feedback is considered one of various indicators of innovation performance. Several studies (Dellarocas et al., 2007; Ghose & Ipeiritis, 2011) from different areas have analysed the relationship of customer reviews and the business performance. For instance, Dellarocas et al. (2007) found that the quantity of online reviews can help the sales forecast. While Zhu & Zhang (2010) found that the quantity of online reviews anticipates the sales volume of a product.

Takes et al. (2021) proposed a model of innovation measurement where they listed several indicators of performance of innovation, they are: R&D expenses, training to develop specific skills, number of non-technological changes, quantity of knowledge source, customer feedback,



number of new products developed, employee participation in knowledge-sharing activities and introduction of innovation. According to their proposal, the more the business performs these activities the higher is the level of innovativeness of the business.

However, when asked whether these indicators and data have been gathered by the business, managers reported to not have the accountability of the information. When previous answers are analysed, it is noticeable that there is no training or incentive being provided to employees regarding innovation. Besides that, only M2, M3 and M5 have reported employee participation in the knowledge source, however, in an informal way. Further, there are no metrics or data collection regarding the R&D activities, number of new products developed and the introduction of new innovations, the innovation activities are conducted without specific planning, method or procedure. Therefore, it is not possible to affirm that innovation has increased the competitiveness advantage of these organisations.

In addition, in order to measure the effectiveness of the innovation in the business, OECD (2005) suggests to keep track of some data innovation activities such as type of innovation (s) developed by the firm, the financial gains (report) produced by the innovation, the cost of implementation of the innovation and the main objective of the innovation activity.

## 12 Conclusion and Recommendations

The current research aims to provide extra knowledge and insights about restaurant innovation from a managerial perspective, therefore, dimensions of innovation, barriers, source of knowledge and trends were used as frameworks. Hence, the findings can help managers to have a better understanding about the management and implementation of innovation in their organisations.

First, the research analysed which type of innovation restaurant managers are generating. The respondents assessed that restaurants are introducing innovation to a small extent with relevance to product innovation, with focus on the introduction of new menu items. Therefore, we recommend that restaurant managers explore the possibilities to develop other types of innovations (e.g. marketing innovation). According to Luo & Zhang (2013) this could facilitate the promotion of their innovative activities and has a relevant and positive relationship with competitive advantage.

According to the analysis of the sources of ideas (creativity) for innovation, the current research found that the business owners and stakeholders are the main sources of innovation. In that regard, three managers reported low involvement and contribution from employees during the creative process. Further, no external source of innovation is used, therefore, it is concluded that the restaurants have a close corporate culture.

In that light, we recommend that restaurant managers encourage employee participation in innovation by creating cross functional teams (a combination of waiters, kitchen, and staff). This would create an entrepreneurial culture within the firm that fosters innovative thinking, creativity, and openness between staff members that is needed to develop and implement innovations (Lin & Chen, 2007; Ottenbacher & Harrington, 2007).

The findings have pointed out that the main significant barriers to innovation were economic and knowledge factors, specifically, the high cost to innovate and the limited information about innovation. This emphasises the need for managers to create an innovative culture and invest some time gathering information about innovation that could be useful for the organisation. Further, the businesses that face high innovation costs rely on the rise of public policies to finance innovation and to receive financial support. These actions are particularly relevant, due to the fact that Belgian restaurant businesses consist in their great extent of small and medium businesses with restricted financial resources and a low qualification of human resources, both of which restrain innovation performance.

Findings about the future trends of restaurant businesses highlight sustainability, local consumption and attention to health as the major tendencies of the industry. These results address the recent change in the customer behaviour and increased sense of social responsibility among customers. Restaurants have to become aware of this change and adapt to the demands of customers, which means adopting sustainable practices and broadening the healthy options in their menu ( Kim et al., 2013; Namkung & Jang, 2013).

The lack of strategic innovation plan and measurement of the efficiency of innovation shows the limited resources and knowledge about innovation among managers. Therefore, current innovation practices are non-standardized and have no proven effect on the business performance.

Thus, the current study also suggests that managers should encourage diverse innovation adoption, by training and creating a cross-functional team through a well-designed strategic innovation planning as part of their dynamic capacity to create competitive advantage.

### **13 Limitations of the study**

The results of this research should be assessed while considering its limitations. We acknowledge that the sample was limited and does not represent the whole population of restaurant business in Brussels. Upcoming studies should use a broader sample with larger generalisability, since the current study was limited to five restaurants.

The interview focused largely on self-reporting restaurant managers to measure innovative practices, which may not express the real practices of the business. As such, future studies may analyse more diversified owners or CEOs of restaurants as respondents to have a better understanding of their practices.

Despite the limitations behind the research, the findings bring several relevant implications for future research on innovation in the restaurant sector. Future research could analyse different HR strategies that could help businesses to implement an innovation culture. Further, investigating the connection between innovations and types of leadership could also find interesting insights about the culture of innovation in the restaurant businesses.

Future studies should look at more expansive aspects of the restaurant industry so that the results may be more broadly used, therefore, including franchises, fast food and other types of food business in various locations, paying attention, to the influence of innovations (product, marketing, technology and process) on the business performance by using specific metrics.

Another relevant recommendation for future research is to incorporate customer perceptions of innovation in order to get a complete picture of innovation in the restaurant industry. Nevertheless, the results of this study should be disseminated throughout the hospitality sector in order to assist managers and stakeholders in making informed choices about the adoption of novel initiatives.

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# Annex 1

## Interview Questions

### Subcategories:

- 1) **Types of innovation**
- 2) **Creative Process**
- 3) **Barriers for Innovation**
- 4) **Market Trends**

### Demographic Questions

The position in the company: Manager/Owner

- How many years has the restaurant been operating?
- How many years have you been working in this position?
- Restaurant style:
- Classification: casual/ fine-dining
- Restaurant size: n° capacity
- Number of employees:
- Is this restaurant family owned? yes/no
- Location
- Franchise? Or owned?

#### 1. **TYPES OF INNOVATION**

- Is the business concept of the restaurant based on a certain type of innovation? If yes, which type of innovation?
- Has there been any innovation or general change recently in the restaurant (within the last 6 months)?
- If yes, is the innovation classified as process, product, marketing or technological innovation?
- Which benefits were perceived after implementation of innovation?

#### 2. **CREATIVE PROCESS**

- Where does the creative process usually come from? (From the managers or more from the head office?)
- Do you need to call senior managers or have their permission when you want to make even the smallest changes or do you have some independence over certain things?
- Have you encountered any difficulties while implementing innovation? If yes, which ones?

#### 3. **BARRIERS**

- How innovative would you consider your business compared to the competition?
- If the restaurant has implemented any innovation, what was the main driver of that innovation? Has the business performance been improved? If yes, in which sense?
- Have you got any feedback from customers? If yes, can you share?

- Has any new idea or project towards innovation been discussed in the last months?
- If yes but not implemented yet, what are the main barriers?
  
- According to the table below, which barriers would you point as the main limiting factors to innovate? Why?

Limited funds or resources to innovate	Economic Factors
High costs to innovate	
Lack of capable personnel	Knowledge Factors
Limited information about innovation	
Limited information about the market	
Issues finding partners to innovate	
Too competitive market dominated by solid businesses	Market Factors
Uncertainty demand for goods	

- Does the head office offer any rewards or opportunities to motivate you to come up with ideas for improvement? (Ex. Offers seminars, meetings, conferences, workshops, bonuses, etc.)
  - Is there anything within the restaurant that you would like to change if you had the opportunity?
  - What innovation strategies do you use in your restaurant to achieve sustainable competitive advantage?
  - How do you measure the success of your innovation strategies?
- 4. Market trends**
- From the list below of innovation trends, what do you think are the most relevant for the future of restaurant business? Why?

No.	Trend
1	Technology
2	Sustainability
3	Attention to health
4	Local and regional food

5	Accessible prices
6	Personalisation service
7	Refined tasted
8	Simplicity

- What else can you share that we have not already discussed?

# Annex 2

## M1 interview

**Layane** 0:00

So I will start by presenting myself. I'm a Layane. I'm Brazilian and a student of Management at Hasselt University. So I'm conducting research about innovation in restaurants. So I have questions, and there are no right and wrong answers. And if you don't want to answer any of the questions, if you cannot, it is totally fine. And there is also privacy. So this won't be shared with anyone else just the research and all the names won't be disclosed, not even the name of the restaurant. So that's it. So my first question is for how long Have you been operating the restaurant?

Speaker 2 0:19

I think right now they're about to celebrate their tenth anniversary. Yeah, okay, I think it's the end of this month they're celebrating.

**Layane** 0:36

thought he was also shorter but it's quite a while Okay, and how many years have you been working there?

Speaker 2

I've been working a year and a half there I mean, almost two years.

**Layane** 0:54

do you know the capacity of the restaurant?

Speaker 2 1:20

I would say between 60 Yeah, something like that. 6070 ish, I don't know. But it should be something like that.

**Layane** 1:34

And do you know the number of employees working there?

Speaker 2 1:36

Yeah, so but right now the people that are working in St. Catherine I would say eight people I'm sure have

**Layane** 3:07

So the first question is if the business concept of the restaurant was based on a certain type of innovation and how is this exactly if you could explain the concept of restaurant?

Speaker 2 3:23

So I think their concept comes from passion, which I really think it's interesting, you don't always have it. So because when Guy (owner) started the business, we had like a meeting with all the



restaurants all the staff a bit like a team building and we really got to know like, the concepts like the the idea where it came from and do a little bit better and why he does things a certain way he does.

**Layne** 3:55

Do you know why he decided to work like that?

Speaker 2 3:59

it came from his own curiosity a bit, his mindset, mostly and his love for Japan. I guess. He really liked ramen. So he went to Japan to see how they were made and he saw that in Belgium, you don't really have like a ramen shop with really honest products. Sometimes they use like noodles from the store and he really wanted everything to be honest. So you know, and delicious.

Speaker 1 4:57

Was there any change in innovation in the last six months?

**Layne** 5:09

Yeah, the menu. They try to make more options for everyone. Yeah, inclusive options like for vegan vegetarian people. I mean, it's still not gluten free, but they're getting there. Yeah. So they added more vegetarian options and stuff. And they always try to come up with something new seasonal, you know.

They tried to adapt the menu, they try to see what people like. And right now you can also see with the menu, you can choose your base, if you prefer, like, a bigger base, or Yeah, they get like a bit of choice, you know? Did you

**Layne** 6:47

Have you perceived any change after this change in the menu in the restaurant? Like, are the customers more satisfied? Or doesn't really change anything? I

Speaker 2 7:00

If I think it increased? I think it changed a bit because right now let me think for a second. I think there were a few recent reasons, but I think it did change a little bit, because people are like, very satisfied when they see there are multiple options they can choose from in even though the menus have it confusing. Since it's so aesthetically pretty. It also attracts people to look at it really Yeah. Visually

**Layne** 7:43

Okay, and do you know, where does this change come from? Like, this creative process of changing things for the better? Where do they come from? They come from the head office? Or are they open to listen for us or other managers? Do you know how it works in the company?

Speaker 2 8:07

I do know, they have like, every few weeks, I think every 10 weeks, they hold a management meeting or something with all the managers from all the shops. And they basically just share what's going on what can go better and what's coming next. But from the staff itself, I would say we were like the lowest branch, okay. And also our opinion doesn't really matter. And for now, I think before it was like the CEO who decided everything, but now it's more his wife who's taking care of everything.

**Layane** 8:45

Okay? So if you decide to change something or want to do things a bit differently. Do you think you have this autonomy?

Speaker 2 8:54

no, no, you really don't have this independence. So you don't really have that. Now.

**Layane** 9:16

So you said that the recent change of the restaurant was the menu. And do you know what was the main driver of this change? Why did they decide to change? There was any problem going on?

Speaker 2 9:31

I think it's really has to do with the fact that they change roles, I would say because now Luiza is managing everything. And before it was Guy who was managing everything, and maybe she noted something that she wanted to change, and that's why they decided to change. Kind of a personal decision. Yeah. I think it was from the head office.

**Layane** 10:00

Mmm. And do you think there was any difficulty implementing this change? Like, did this was a key? explaining everything to customers difficult to, for the staff to, like for the kitchen? would you say it was difficult?

Speaker 2 10:27

I would say it was difficult because normally when there's a change going on in a company everyone needs to be informed. They were informed. But I feel like this change with the menu wasn't informed enough or on time. Yeah. So there wasn't a day where we could really like, study the menu and see how every dish is being made. The kitchen was up there, the kitchen looked like one dish being made. And they had to adapt for a few weeks as well. To really get it until now it's still a little bit off because now you have two different bases going on the toppings change as well. So it's like a lot of change at the same time names change all the time. So your way of thinking should change too because when you do something a certain way your brain did like an automatic reaction you do just like that. And when everything changed, it takes some time.

**Layane** 11:54

All right. So you think that for customers it was beneficial because they have more options, but for the staff and for the team not?

Speaker 2 12:05

Yeah.

**Layane** 12:07

And did you get any feedback from the customers when you were presenting the new menu?

Speaker 2 12:14

Many find it visually really pretty. But some say it's a lot and some say they just don't get it. Okay. So the needs to explain the menu has become a lot more than before with a recent menu you know, okay, because it's a lot of information on one page and what they need to understand

**Layane** 12:46

and do you know any idea or projects that will come up soon in the company that you're expecting? How are we going to do this differently? Did they inform you about something that might change in the future?

Speaker 2 13:03

For now, that's like the biggest change they might be doing and I also heard that they want to open some different things like food trucks or anything but I'm also not sure about

**Layane** 13:28

I heard but I don't know if it includes some qr code, is it?

Speaker 2 13:33

yeah, I forgot about that. Yeah, it is really a project, so Louisa talked to me about it. She basically said that now they want to work with QR codes so clients could see the menu and take their order, especially if you're sitting at the terrace outside. I don't know if they already did it or not. But they said they want to do it this summer. They can only sit down if they directly order and they pay out they pay outside as well.

**Layane** 14:16

Maybe this summer? so what do you think about this idea of customers making their own orders or payments, do you think there would be any barriers or any difficulties with this?

Speaker 2 14:38

I think using QR code to see the menu is already one nice thing but it will reduce the relation between customer and service, because now we really need to go to them and listen what the customer says, Oh, is it your first time? we create a little bond, you make a memory with them. And now it's more commercial, you know?

**Layane** 15:16

more transactional

Unknown Speaker 15:18

come eat and that's it.

**Layane** 15:21

Do you think for the business is going to be beneficial in certain way

Speaker 2 15:25

or for the business, it's definitely beneficial, I think, because some people just prefer to just take their food and go, but especially for people who are more used to the place and staff, maybe they just want to quickly get done and that's it. But it could also have disadvantages because when it gets busy, for example, if like five tables sit outside and every table orders around the same time, it can get hectic inside, we're still supposed to take orders manually, and then bring the food as well. It's a bit messy, you know.

**Layane** 16:03

maybe take your time to find the dynamics and how it's gonna work. Interesting. I'm going to show you now a table which shows the main limitations of innovation in businesses, and if you could read those are like the point the limitations from your experience.

Speaker 2 17:24

would say maybe high cost to innovate? Okay, because I've been noticing that they have been trying to cut off as much as people they want the QR code is await Yeah, the QR codes remove personal and also in the kitchen there's only one person in the morning till the afternoon I think also maybe the limited information about innovation because they quiet not really looking for information they are maybe maybe centered on the commercial aspects making money.

**Layane 18:54**

Yeah. So the next question is, if you come up with new ideas, eventually there's someone in the team come up with new ideas for you. What do you think that are any opportunity to be listened or any reward?

Speaker 2 19:11

Not really. I think just if you're higher in the hierarchy, the majority listened to so I would say service step is just there to like the service. Then you have like the team leaders just do your thing. But from the moment you're a manager, then they might listen to you.

**Layane 19:36**

And how would you compare umamido compared to other ramen restaurants? Do you think it's an innovative restaurant?

Speaker 2 19:48

I think they're innovative, but they quite still stuck in the box. You know, they went to a certain level. Yeah. And they are staying, they're not they're not going higher. I would say

**Layane 20:02**

If you have the opportunity to change anything in the business now you have the autonomy and possibility there is something that you would like to change

Speaker 2 20:15

in their business, like how they work, in general can be, I wouldn't like maybe, just like you say, try to learn a bit more about innovation. And figure out how you can still keep the concept of like, the main concept you started with, and grow it as you know, because right now I feel like their main concept and where they're going now it's like two separate things. And it would be nice if they bring it back to ones because now there's like a lack of, let's say, connection between like the higher ups and the other ones working well for them when in reality, we're all one team, you know,

Speaker 1 21:08

Do you think they should be more opportunities for you to kind of contribute or maybe listen more to the customers? What do you think is really crucial?

Speaker 2 21:24

I think they do listen to the customers they give them the opportunity to send them emails send them feedback, such definitely when there's complaints to the staff I don't think this Yeah, I think they will be listening to the stuff if the staff is like wanting to want to say something but if they will change something based on that one staff member that I don't know

**Layane** 21:59

getting to the end so what so do you think that is any strategy any plan for towards new ideas in the business coming up? Or

Speaker 2 22:13

I think they're still like on the same wave.

**Layane** 22:20

Do you think they're gonna stay like this for a while? Yeah, for a while because

Speaker 2 22:23

I've been working here for almost two years and it's still a bit the same but they have all yeah yeah, don't really have the mentality to differ in their management it's really crazy.

**Layane** 22:42

You think like this possibility of having sushi or truck or something like this possible for for other tours as well in the future?

Speaker 2 22:53

I mean, I think it's possible but not necessary.

Speaker 1 23:10

so the last one is another table and these are like possible innovations for the future. Business restaurants need gonna focus so if you could see according to experience and according to your relationship with both in the business and with customers, what do you think are the main trends that business should focus for the future?

Speaker 2 23:40

Know it's a technology. Sustainability. And number eight, local and regional food

Speaker 1 24:18

do you think those are the three main trends for the future in the restaurant?

Speaker 2 24:30

Kind of the thing of what you already had in mind.

Speaker 1 24:37

And do you think that alma mater is aligned to these trends?

Speaker 2 24:43

I feel like they are aligned to some of those trends they trying to see to grow into the technology part. So I can see that they are already using like local products as well. They're not like going to

search too far. They use what's Thinking I mean some things are from far away but yeah they are searching like for our products

Speaker 1 25:10

do you think like customers value see that the customer yeah they finally decide to go to

Speaker 2 25:19

America they like it add some value. I think it does add value differently for people who come back like a second time or third time they're always like telling us their experiences. At first it starts maybe with oh this this rum are really good or it's the best thing ever. And then they start getting interested and it's always fun to talk about. Well,

Unknown Speaker 25:43

there is anything else that you want to add. This was not

Speaker 2 25:50

everything. Oh, I think I don't think I was very complete. Thank you very much.

## **M2 Interview**

**Layane** 0:00

So I will start by presenting myself. I'm a Layane. I'm Brazilian and a student of Management at Hasselt University. So I'm conducting research about innovation in restaurants. So I have questions, and there are no right and wrong answers. And if you don't want to answer any of the questions, if you cannot, it is totally fine. And there is also privacy. So this won't be shared with anyone else just the research and all the names won't be disclosed, not even the name of the restaurant. So that's it. So my first question is for how long Have you been operating the restaurant?

sts

Speaker 2 0:43

So we operated under the old bar, which was random for a year and after that, we reopened three months ago. Okay. Yes. Okay.

**Layane** r 0:57

And you've been working here since the beginning?

Unknown Speaker 0:59

Yeah, I'm one of the CO owners. Okay.

**Layane** 1:04

And how do you define the concept of the restaurant? Is it a cafe? Or is it more?

Speaker 2 1:11

So the idea, the idea from the beginning was to create a hybrid brunch breakfast place, with an offer in the afternoon and be able to work during the night.

**Layane** 1:26

So you also operate during the night?

Speaker 2 1:28

Yes, exactly. So at the beginning, it was just a bar in the evening. And the idea was to strengthen the possibility to have it open during brunch time, and at the same time to have a bigger offer for the night. So that's the idea that is to specialize in coffee and craft beer. So it was really the idea to have both offers available all day.

Speaker 2:02

And, you know, the capacity of the restaurant?

Speaker 2 2:06

I think we have, like, we can see 60 people? Well, we had events where people were standing for up to 120 people

Speaker 1 2:18

Okay, around 60. Okay, and currently, what's the number of employees?

Speaker 2 2:24

So you'd like full time? Yeah, I would say we are around eight people working full time.

Speaker 1 2:33

All right, so the first question we kind of already answered like the concept of the restaurant. So the differentiator of the restaurants is like you work from coffee in the morning to also brunch and night.

Speaker 2 2:57

Exactly where the name cloud scale where it's something goes from bright to dark.

Speaker 1 3:02

Okay, perfect. Have you had any change recently in the restaurants like the menu, or?

Speaker 2 3:17

when we started, we wanted to have like, we were very inspired by doing like some good sandwiches, because it's something that we like to do. And very quickly, we saw that it was not very adequate for the neighborhood as here in chatline, you have a lot of like upper class. Like customers who prefer maybe some healthier food. And we switched very quickly to have like a seasonal menu that changes every day where it's more like dishes and salads instead of sandwiches. Okay, like many was, we adapted to the neighborhood.

Unknown Speaker 4:33

And this happened, like recently?

Unknown Speaker 4:35

yeah, we changed the menu three weeks ago,

Speaker 1 4:37

okay. And if I ask you, where does this change come from? Like this creative process? Let's change. Let's look for something different that come like do you have team meetings or does it come from the management that had office? Normally, what's the procedure if you want to change it?

Speaker 2 4:57

I think it's a mixture of both. So we tried to be very reactive. So we have weekly meetings with my business partners. And so we decided what are the weaknesses and how we can improve them. And at the same time more on like on a monthly basis, we have staff meetings where the staff can also bring their ideas and inputs and try to respect whatever they bring to the table.

Speaker 1 5:18

Okay, and do you have a lot of freedom to change things here? Or do you need to like a certain permission for someone

Speaker 2 5:26

more out of respect that we try to include all the business partners in what in their ideas, but for the rest, I have complete freedom to do what I want.

Speaker 1 5:39

So when you decide to implement sandwich in the menu, what was the main idea was it because it's cheaper to make?

Speaker 2 5:48

oh, we were making quite expensive sandwiches, it was just more an idea of there are million different restaurants in the Shatner area who are doing like what we are doing now. And so we wanted to have something else. And so the idea was just to differentiate, we were doing like slow cooked meats, and vegetables or like getting the juices of the cooking and then we're doing a homemade stuck with it. And you were supposed to dip the sandwich in the in the sauce and everything. So we over complexified something very simple. Okay. And

Speaker 1 6:21

during this process, did you find any difficulties? Like there was some resistance from the staff? Or maybe so that's ingredients was difficult? No, it

Speaker 2 6:32

was not very difficult. We like we thought about it. Like the idea of doing this came quite late. And just making a stock is very energy intensive. So it needs to be like having things cooking for 24 hours. And when the energy prices went up, we were like maybe okay, maybe this is not the right moment. This was maybe not the right moment to have like three induction plates running 24 hours a day. At the same time, yes was a bit strange, because we're putting way too much effort into a sandwich. So we're needing to sell it like 1314 euros. And it was very, very labor intensive. Because we do everything homemade. Something where the result at the end is a bit set for a sandwich.

Speaker 1 7:19

And do you have any plans or any ideas for the future, there are things you want to implement that into discussing any project or something new that it's

Speaker 2 7:29



so I think the menu as it is, is we have what we wanted. For the drinks design, the only thing that we're trying to do right now is to get to, to like to have regular events. So we are looking at we're doing so we're starting now with having like art exhibitions with artists every week. So at the same time, you can use their network of influence. Every time they have like something that comes like there are a lot of customers for the events. And on top of that you get free decoration every every second week. We're doing chess tournaments, we wanted to have like board games and everything but to stay coherent with our visual identity. So we're doing board games that are black and white, like like our name club obscure. Every Friday, we are trying to do a DJ. So it's been the third week running and it's going very well. And then we're going to do like some jazz concerts after brunch on Sunday.

Speaker 1 8:39

Okay, so those are the plans for that you're working on now the pros?

Unknown Speaker 8:43

Exactly. Something new

Speaker 1 8:45

that can attract more customers. That's cool. Do you normally listen to feedback from your customers? Yes. How do you do it?

Speaker 2 8:54

So first, I can do Google reviews reply to every comment and try to explain and try to learn lessons from it. And the feedback from the customers we accept it but then on the other hand, we listen to feedback but there are some things where we know that we need to educate people like my DP are like a way of consuming we go we do brunch on the weekends and other people are asking for avocado but we don't like serving avocado because it's a product that is very like energy intensive and it's coming from the other part of the world and it's created other very bad circumstances for the people like producing sing it. So that feedback instead of just taking it we try to educate people. Same goes for I don't know almond milk, or same goes for for natural wine that we sell instead of like conventional lighting, although it might be a bit more expensive. So yeah, whatever we can sell for a cheaper price we do but Everything else we try not to, to, to have like a product that we don't send behind, or we don't sell it, or we need to sell it at a price that it needs to be sold. And then we try to educate the people on it.

**Layane** 10:14

And that's a process that we've kind of learned, the customer learns with time. Okay. And I will show you a table. And when it comes to differentiate to implementing new things, and there are also always difficulties. So from this table, if you could, by experienced tell me like to eat sounds that often kinds of holding business to innovate, implement something new, what would be the main thing?

Speaker 2 11:14

would be a high cost to innovate and lack of capable but like on the first, the first one would be the lack of capable personnel? And the second one would be the high cost.

Unknown Speaker 11:22

Okay. Capable personnel. Why do you think that?

Speaker 2 11:26

I think, like, if you speak like, when speaking to my colleagues, that also work in other bars and restaurants, there's like a huge, huge lack of like, cooks, for instance, or baristas, like qualified people in the obey car sector in Belgium. It's very, very, very bad. I

**Layane** 11:42

mean, relative the you never had people like, me, too. So changing all the time. It's difficult to kind of hiring someone, right?

Speaker 2 11:49

Yeah. But we have a very fixed team, like for a very long period. but for the moment, yeah, so I think we all have a Brussels, it's a huge problem, that there are not enough. And then the high costs of, of innovating is just that expensive. Everything is really expensive. Right now, like we saw, we do regularly put costs, so we analyze the invoices and what the products cost. And we had four dairy products from January last year to this January, no overall increase of 45%. And this was just the overall so there was like, some things went up 60% years, not only were there a lot of years that couldn't be produced, but I don't know why. But most of grain and most of have come out of Ukraine. So during the war, we had PRC went up to 60 70%. Price. So yeah, and then, then, yeah, this isn't a problem, because we could simply adapt the prices, but I think some people that can afford it otherwise, so we try to find other solutions. it's, it's difficult, like prices, like, that's really up a lot

Unknown Speaker 13:08

less energy and all this.

Speaker 2 13:10

And there was an index session also for the salaries, which is right and very important that summing up everything together is very difficult.

**Layane** 13:19

And if you compare to the neighborhood here, you had all your restaurants kind of in a similar way. Do you think here? It's considered innovative restaurants compared to your neighbors?

Speaker 2 13:32

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**Layane** 13:47

Okay, great. And if you could change something in the business today, you've had the power to like, do a change, like right away today in the restaurant? What would that be? Here? Yes.

Speaker 2 14:02

Well, I think we made a mistake where we put the coffee machine. Okay, we wanted it to show that we are doing specialty coffee. So yeah, we wanted it to be the first thing you see when you enter? Yes. But now I think we could have used the place a bit further like putting it on the back of the bar.

**Layane** 14:27

. So in the team, you wouldn't change anything in the team during the manual you have happy what? We're happy with everyone green. So when you decide to implement something new in the restaurant, do you do you normally which steps do you follow? If you want to launch a new product? Do you do a research first to talk to your suppliers and then you need to provision from someone

Speaker 2 14:56

know if their suppliers come to you with the new product, it's a bad product. A good product is normally you need to find yourself and go see the vision. So for the most part, what we do is we go out to have drinks, and we see what's new, and we taste it and then decide on the products. Okay, I like the most important thing right now is Instagram, like, for us? It's the new trends, the new, like the new things that are happening, our biggest communication tool is Instagram. And so I think there is like an ecosystem of bars and restaurants that work in Brussels. Yeah. As

**Layane** 15:39

a like a marketing tool for primary marketing. Great. So your strategy is mainly online, then yes. Promoted online as much as possible. Exactly. Okay, perfect. So the last question is just if you look for the future of the restaurant business, what the clients are asking for in the moment. And, again, if you look to this list, and you could point three things that the business are kind of switching to for the future, because of the new demands from the clients, what do you think that would be? The new trends that are coming up?

Speaker 2 16:41

Well, I think the thing is also like, it all depends, like, we are something that is intended, just really like as a neighborhood. Ways to go very local. So for the moment, yeah, it's we try to we try to be as sustainable as possible. We try to be quite simple. And for the rest, we try to local and regional food. Yes.

**Layane**

Speaker 1 17:07

Sustainability, local and regional food are kind of the main assets of the business. Yes. Anything that clients are currently asking for?

Speaker 2 17:17

But it's a trend though, it's, since last year, you see mashed potatoes and sausages popping up in a lot of restaurants, stuff like this. So

**Layane** 17:27

and do you think this appealing that to use local original products attracts more customers?

Speaker 2 17:32

People are afraid because of war and energy crisis and COVID. So going back to dishes we ate in our childhood, springs back maybe some sense of comfort.

**Layane** 17:45

think also supporting local businesses is something that people are willing to do more now?

Speaker 2 17:49

Yes, yes, yes, definitely. Okay, great. I think also everyone saw it. And we saw that how difficult it is when once everything is like interconnected with COVID and the Ukraine more. How fucked up everything is. Yeah,

**Layane** 18:05

that's true. also connected with the recent events and everything else.

Speaker 2 18:09

We wanted to uncover machine that we ordered from Italy was a really good coffee machine. Okay. And so the white paint that we wanted to have, we needed to wait six months, because the only supplier for the white plane to put on a telecom permission came from Ukraine.

**Layane** 18:25

Really? Yes. You waited six months for it?

Speaker 2 18:30

So yeah, I think there really is something wrong without in not using original products.

**Layane** 18:35

Yeah. Well, thank you very much. Thank you for contributing with the research and in the end, if you want also to get the final paper. So thank you very much for your contributions and thank you very much.

### **M3 Interview**

**[00:00:18.320] - Layane**

So I will start by introducing myself. I'm a Layane. I'm Brazilian and a student of Management at Hasselt University. So I'm conducting research about innovation in restaurants. So I have questions, and there are no right and wrong answers. And if you don't want to answer any of the questions, if you cannot, it is totally fine. And there is also privacy. So this won't be shared with anyone else just the research and all the names won't be disclosed, not even the name of the restaurant. So that's it. So my first question is for how long Have you been operating the restaurant?

**Speaker 1**

Seven years now. Since 2016 or 2017. Ah, I always get lost with the date, but seven years.

**[00:01:17.400] - Layane**

How long have you been working?

**[00:01:20.210] - Speaker 1**

In this procession? I've been working here since 2001 It's been 2 years, I'll be 2 years now.

**[00:01:30.780] - Layane**

So what is the classification of the restaurant?

**[00:01:34.510] - Speaker 1**

Classify it right, it would be like brunch... It would be brunch, it's brunch and specialty coffee.

**[00:01:41.100] - Layane**

Do you know the customer capacity here?

**[00:01:44.910] - Speaker 1**

It depends, in the winter we only have 20 tables inside, which would be 40 customers and in the summer we add about 10 more tables out here and then, well, we can... It depends a lot.

**[00:02:11.010] - Layane**

How many employees do you have at the moment?

**[00:02:18.420] - Speaker 1**

12 people currently.

**[00:02:25.010] - Layane**

And is it a family restaurant?

**[00:02:31.060] - Speaker 1**

I wouldn't say it's a family restaurant, but I would say it's a casual restaurant. Casual, informal, pet friendly. It's not a conventional restaurant, I would put it that way. It's a young people's restaurant, made for customers, young customers.

**[00:02:55.930] - Layane**

Perfect. And you guys are considered a franchise?

**[00:02:59.780] - Speaker 1**

We are not considered a franchise, although we have four restaurants in Brussels, plus the three kiosks.

**[00:03:52.850] - Layane**

So if you could define the concept of the restaurant? What is Woodpecker? What would be the differentiator of Woodpecker compared to other restaurants in the same industry.

**[00:04:18.880] - Speaker 1**

It's a casual restaurant. Where you will find a very good coffee and a food with eggs, because most of our dishes involve scrambled eggs, poached eggs. Here we have a complete service and this is one of our singularities, and at the same time it is also something challenging, because it demands from us a much greater commitment because we deliver a quality coffee, but also a differentiated food, so these are two strong points of our restaurant. This also makes the work and the service of the people who work in a restaurant more complex, because not just anyone can come here to work, and sometimes it ends up being a lot, you have to be responsible, you have to take care of the customer, and at the same time you have to know about coffee and also be able to sell the food...

**[00:08:15.680] - Layane**

Ok. Thank you, Now, first question in relation to innovation, already very much into innovation. I think you've already answered that. The restaurant is based on some kind of innovation, right? What would be your differential? Which would be exactly that, right?

**[00:08:33.470] - Speaker 1**

Yes, our differential is that we do quality specialty coffees and also brunch containing eggs, being poached eggs and waffle dishes as well. They are an innovation because if you go in any restaurant here in Bucheles you will never find salted waffle it is something with poached eggs it is a very different thing but it is very successful.

**[00:11:59.900] Layane**

So the next question is have you recently had any changes here in the last six months in the restaurant? And what were the perceived benefits?

**[00:12:52.600] Speaker1**

We bought a machine called Skim Milk Machine to make our life easier in our daily rush to make cappuccino faster and with more quality and also to make it easier for new baristas, because it already makes the milk perfect, ready, right temperature, right consistency quickly.

The machine was an investment that is helping us not only in facilitating for new employees, but also saving time because the process has become faster, I personally took 6 months to be able to make a quality design in a cappuccino, and now with this machine you learn this immediately, so you save training time and money.

So those were the benefits that I realized, and much more efficient with a machine because using the machine will make you don't have to stand around waiting, it only takes 15 seconds and everything is ready.

**[00:18:55.600] Layane**

And was there any resistance when it came time to implement? Any difficulties?

**[00:19:05.600] Speaker 1**

You will always feel resistance to new things here and it was no different this time, in the beginning it was difficult and it still is because we are still in the adaptation phase of convincing the employees to accept that machine in the work environment and convince them that it will actually help them save their time.

Yes, I still suffer, but little by little we are talking to people and showing them the advantages. We also learn to use the machine more for our own benefit.

**[00:20:58.800] Layane**

That's normal, so the next question is in relation to innovation, where does the creative process come from?

**[00:22:55.700] Speaker 1**

It comes from the top, it comes from the owner, he is very present so it depends on the week. So he has a lot of knowledge, I learn a lot from him and at the same time he comes up with new ideas and gives me freedom to create new things. Last year in October I had an idea I wanted to make a special fall coffee with pumpkin, and it was approved, we put it on the menu and it sold a lot!

I always like to change the cake list, because I am the person who loves desserts. For me it is very interesting. I like it with me. When it's totally new recipes with recipes it's a little more complicated, but it's possible too because at last it goes the whole aspect of running a restaurant. Which we always try to use the ingredients that we already have in the kitchen.

**[00:26:50.120] Layane**

How do you measure the success of your innovation?

**[00:27:31.3]** I couldn't quantify in figures because it is very difficult, also because recently we had price increases, right? The prices increased and such a complicated period, but we are saving a lot of time.

**00] Speaker 1**

**[00:22:55.700] Layane**

Has it improved the business performance?

**[00:28:25.100] Speaker 1**

I don't know if the machine changed the product better one coffee, it just standardized the product.

**[00:29:20.200] Layane**

Are you guys feeling any ideas of some future project for some change or some innovation some future project?

**[00:31:12.110] Speaker 1**

Just possible new items in the menu

**[00:32:14.000] Layane**

So if you talked about the question of the projects that you think of maybe new recipes for restaurant, but generally what are the barriers that you face to implement the innovations.

**[00:33:52.010] Speaker 1**

Usually it's cost and time, I think are the biggest barriers. To keep thinking and studying, analyzing new ideas demands other activities like buying a new freezer, I need to do a thousand things, send a thousand e-mails to suppliers that end up leaving no time to focus on the creative part which is a very nice thing to do too, but it's not a priority and other more urgent things are more urgent.

On the issue of costs, beverages and coffees are easier if you make special drinks, because the profit margin of coffee is very high, very high, but that's ok, then we had the idea of selling kombucha and the calculation of the margin we were going to have was not going to be profitable. it's a great idea, but in practice it doesn't work,

**[00:36:24.700] Layane**

Do you have freedom or you need permission from the headoffice?

**[00:40:44.700] Speaker 1**

I have the freedom to do this, but I try to step on the brakes a little bit because I'm the one who takes care of the bills, I was this morning organizing the invoices and payments at the end of the day. This is my responsibility and I have to make the restaurant profitable at the end of the month, but I intend to. We have money available to apply innovations, but I also need to take a look because of the high cost.

**[00:45:21.200] Layane**

You know what you guys are looking for. What kind of trend in the market today do you think is coming to the business in the future?

**[00:46:08.000] Speaker**

Local consumption for sure. Max (the owner), he is always in the area, but we work with local breweries, we work a lot with local producers with connectors from the pier we get the sausage from Santos tá viva that is a meat thing it is kind of a butcher from here too for the quality ones shopping list we have multilocal partners.

**[00:52:47.800] Layane**

Is there any incentive for employees to contribute creatively?

We never had that so opinions are always very well listened to and Max was very accessible to me and that is one thing that came with him that I try to be with everybody as well if accessible if open and listen.



**[00:54:43.400] Layane**

What would you change about the restaurant if you could?

**[00:55:47.200] Speaker 1**

I think I would change the structure of the kitchen That's it because it limits us a lot in the creative sense, there's not much space and so I feel more free to be able to create drinks , because it's the part that I have more knowledge and and more structured.

**[00:56:26.100] Layane**

What are your strategies?

**[00:56:52.100] Speaker 1**

I research then I test. And then in this test I see the preparation time, then I really test the taste of doing it and then I ask for everybody's opinion. I think that this creativity process of bringing new things is also a group thing that we do collectively as a team, then I see the cost. I check the supplier that costs, profit images are very important. The end I see the marketing and then I sent some emails, talk add it there add it here from tomorrow I communicate the team was more or less are these steps of requests that I give after you launch a new product and has which as you were not effective by the system we also listen to the customer how was the food, how

**Layane**

Okay, cool. So last question is to look at this list and if you think for the future, if a restaurant had to focus on certain specific innovations that customers kind of tend to adapt, what do you think would be the three main things that a restaurant has to focus for the future that clients are more likely to require?

**[01:00:00.800] Speaker 1**

Attention to health, for sure, and globalization

**[01:03:06.900] Layane**

Well, thank you very much. Thank you for contributing with the research and in the end, if you want also to get the final paper. So thank you very much for your contributions and thank you very much.

**M4 Interview**

**[00:00:00.650] -Layane**

Hello. Okay, good afternoon. I'm Layane, and I'm conducting a research in order to conclude my thesis in management. So I'm analyzing the role of innovation in different restaurants of Brussels City Center. So I'm talking to several managers to understand how innovation happens in the restaurant. So have some few questions, short questions to ask you about your experience managing the restaurant, and you feel free to answer what you want to answer. If there is anything you don't want to answer, you don't have to answer. And also remember, there is no right and wrong questions

or answers. And also all the data and privacy will be kept in the research and the names won't be disclosed either.

**[00:00:49.630] - Speaker 2**

Good afternoon. Hello.

**[00:00:51.710] - Layane**

Okay, I have the first question is for how many years has the restaurant been operating?

**[00:00:56.990] - Speaker 2**

For five years.

**[00:00:58.210] -Layane**

Five years, okay. And how many years have you been working there?

**[00:01:03.510] - Speaker 2**

One year and a half.

**[00:01:05.270] - Layane**

Okay. And what's the style of the restaurant?

**[00:01:11.830] - Speaker 2**

It's a bit more expensive, a bit more fancy.

**[00:01:16.090] -Layane**

Like fine dining?

**[00:01:17.520] - Speaker 2**

No, it's not fine dining. The prices may be kind of fine dining, but the atmosphere is more casual. There is music, there are some events in the summer, there are concerts outside, like jazz or something. So it's for sure not fine dining. It's very casual, friendly atmosphere.

**[00:01:42.390] - Speaker 1**

Okay, cool. And what's the capacity of the restaurant clients?

**[00:01:48.610] - Speaker 2**

There are close events organized by the companies, up to 150 people.

**[00:01:56.700] - Layane**

Okay, but do you also serve people.

**[00:01:58.870] - Speaker 2**

Or is just for even now? We serve people, and we could accommodate with the terraces outside, up to 200.

**[00:02:07.000] - Layane**

People and no terrace. 100?

**[00:02:10.250] - Speaker 2**

150? I would say 140.

**[00:02:13.900] - Layane**

All right. What is the number of employees.

**[00:02:17.150] - Speaker 2**

At the moment, including waiters, kitchen manager, and people cooperating with us? It's going to be like 40 people.

**[00:02:31.250] - Layane**

Okay. Is it a franchise or not?

**[00:02:33.600] - Speaker 2**

No.

**[00:02:36.370] -Layane**

So we're going to dig a bit in the innovation part. So what is the business concept of the restaurant? What is the idea behind the business? Do you have anything that kind of makes you stand out of competition?

**[00:02:56.250] - Speaker 2**

Restaurant is a very central place, but it's quite green landscape, so people can come to chill there to spend some time. The dishes are traditional, but made in kind of twisted way with some modern inspirations. And the big part that plays in our restaurant is a cocktail bar. There are many outdoor cocktails that we create on our own, and we change many every six months. We use seasonal products for that. So each half a year, our customers get new dishes, new concepts, and the bar and kitchen often cooperate. So, for example, for the winter, pumpkin was our seasonal important veggie. It was present in the cocktails and in the dishes.

We do quite a lot of stuff. On Fridays we have DJ playing in the restaurant and we set the lights a bit darker than usually. And on Wednesdays in the summer, we have the band playing and we do this event for the companies because we have three big rooms and we have capacity to close one room and do 50 people party that is closed and then still have our customers and serve them in the meantime. So this property and the size and locations gives us actually many opportunities to recreate the space.

**[00:05:08.450] - Layane**

Okay, nice. So say that the differentiation of the restaurant is the change in the menu, the cocktails, the use of seasonal ingredients, and also the events that happen from time to time.

**[00:05:23.130] - Speaker 2**

Yeah. And we have events, for example, once a month we do tartar festivals. So on one weekend you have like many different tartars from beef, from game, and some veggie ones.

**[00:05:58.850] - Layane**

Okay, so we have a lot of fetches in the restaurants to attract different types of customers. And the next question is there has been any change in the last six months according like menu change or something that you change to attract customers in the last six months?

**[00:06:19.770] - Speaker 2**

It is changing now.

**[00:06:21.420] - Layane**

Okay, right now?

**[00:06:23.370] - Speaker 2**

Right now, in one or two weeks, we're going to have a new menu with new seasonal products, with the summer spring cocktails, because the cocktails for the winter way more heavy. Now we're going to go for some more fruity and fresh flavors.

**[00:06:42.750] - Layane**

Okay, nice. Do you have any change also in the marketing part or in something in the kitchen, like you bought a new machine or something like that?

**[00:06:57.190] - Speaker 2**

A few months ago we started doing pizza. So we bought the pizza oven, and the pizzas are a bit different than usual. There are pizzas with goat meat, with pork chicks, with baked potato.

**[00:07:11.690] - Layane**

Okay, after this change, you said there was a change, you were offering pizza. Now after two months. Did you perceive any benefits after you implemented it in the menu?

**[00:07:29.230] - Speaker 2**

We don't sell as many as we thought we would do. The chef of the kitchen thought it's going to be like 100 pieces per day, but it is not 100. It depends between 30, 60. On the weekends we go up to 70, 80. It's less than we thought, and we didn't manage to run the delivery. People come and eat at our place, but they don't want to deliver pizza from our store. It's very rare that they do.

**[00:08:06.430] - Layane**

But you offer this option?

**[00:08:08.110] - Speaker 2**

We offer this option on takeaway for.

**[00:08:12.180] - Layane**

Every product you offer or just for pizza?

**[00:08:14.440] - Speaker 2**

No, just for pizza, because we have many things that are good only when they are fresh, when they are freshly served and cooked, and after the delivery time, they wouldn't look good or they wouldn't taste good. The texture wouldn't be as nice as the beginning.

**[00:08:32.390] - Layane**

Okay, so this was also implemented together with the pizza, the delivery service. Another question is, where does those ideas come from? Do they come from the management? Do they come from the whole team? So when you decide to implement something new, where does this creative process come from?

**[00:08:54.090] - Speaker 2**

So the chef and sous chef are responsible for the card and for the new, let's say, food festivals or food events. And then we have a team responsible for other events, like for the concert, for the DJ. So it's separated.

**[00:09:18.210] - Layane**

They have different teams and they work everyone in their own.

**[00:09:25.030] - Speaker 2**

And management is mostly just executing the task, but not being involved in the creative part.

**[00:09:33.960] - Layane**

Okay. So as a manager, if you want to do a change, if you want to suggest anything change, do you have the freedom to do it in this company or do you need to ask for permission, need to have approval?

**[00:09:47.950] - Speaker 2**

I have a freedom to offer something, but it is often not taken into account.

**[00:09:56.510] - Layane**

So it's more from the head office. Okay. And you said that there was an implementation of pizza and delivery service. If you could say what was the main driver of this change?

**[00:10:21.190] - Speaker 2**

So the kitchen usually closes at 10:00 p.m., but the restaurant is open until midnight. And so pizza, we could have a small section of the kitchen open longer than 10:00 p.m.. And we have many people coming for drinks in the late evening. So the pizza was supposed to be kind of a snack that people can get at any time, even after the kitchen is closed.

Okay. We covered this window of ten to midnight, and also we wanted to try something new, but we were not selling as much as we wanted to, so we also tried to run the delivery.

**[00:11:05.070] - Layane**

Okay, thanks. Did you encounter any difficulties when implementing that area in the kitchen and delivery? There were some difficulties in the process.

**[00:11:17.530] - Speaker 2**

We had to basically change. We have very big bars, so we do our own sodas, we do our own preparation. We smash the fruits, fermentate them, we make our own alcohol. So all these sections had to be kind of rearranged. So there is a space also for the pizza to be made, because in the kitchen, where you have hot kitchen and cold kitchen, there was no space for the oven and pizza and for the pizza yolo to make everything. So we needed to move one part of the kitchen and share it with the preparation space of the bar. So it was quite a challenge. It needed moving a lot of furniture and facilities.

**[00:12:10.570] - Layane**

Okay. And did you encounter resistance from the team, from the staff? Like, this is not going to work, or this is too stressful, annoying, that extra work for us?

**[00:12:24.110] - Speaker 2**

Yes, a bit. Yes. And also it demands chefs to stay a bit longer at work. So of course they were not happy because usually they were cleaning half to ten, still serving till ten, and then leaving ten minutes after ten. And like that one person has to stay until midnight and having to clean everything after pizza. And also we thought that many people thought it's a bit weird concept because you have many good Italian places selling pizzas, and then we come up with different pizzas. So we were not sure if someone is going to buy it, but actually people were buying these pizzas if, you know, gout meat or seafood.

**[00:13:18.190] - Layane**

And did you get any feedback from the customers about the pizzas? Like, if you like it or not? Any specific feedback?

**[00:13:28.450] - Speaker 2**

When I go through our reviews, recommendations and comments, many people make the stories with cocktails and with our main dishes like deer burger or squeezed steak. But pizza is not that much present in the opinions or reviews.

**[00:13:50.230] - Layane**

Okay. And do you think you could already feel improvement in the business performance or not really not enough time to see if the business performance has improved or not. From which point after the pizza implementation, do you see any improvement in the business performance? Like more sales in the parade?

**[00:14:15.110] - Speaker 2**

So we started pizzas in autumn, before the winter, and of course November, December were very strong months. But in gastronomy, January, February, March are the worst months ever because people are after Christmas, they don't have money. So I cannot tell that. Let's say pizza made us go bad because it was just bad time. January, February, we weren't performing poorly because this is what it usually is. And now April, May, June, we will open the terrace, so we will definitely have better performance. But it's not because of the pizza or not the pizza, but it's mostly because of the time of the year, season, people going or not going abroad. When you have Christmas, sometimes no one is in the city, so it's like no customer for a whole day.

**[00:15:21.510] - Layane**

And have you been discussing like any change for the future and new project, something new that could come up in the next month or that is no plan.



**[00:15:32.190] - Speaker 2**

For now, I think we are going to run as we do. We have very good money from the integration parties, from the corporations, big companies, because when they book one room for like 50 people, we charge them for the buffet, we charge them for the food and drinks. And this is very good money. And this is what we're going to continue doing. We have one person committed just to that then with the music, for sure. We will review the bands that we had last year because some of them people hated and they said that the lady was mourning and whining and they don't want it anymore. With the DJ, we will also wait for the summer maybe because in the closed space it was a bit too loud in the restaurant and when it gets like a lot of hundred people eating together and a DJ, the noise was really high.

**[00:16:46.130] - Layane**

Okay, so that's the possible change.

**[00:16:50.930] - Speaker 2**

Yeah, but we still think of some new events, new food festivals. Like let's make one weekend in this month related to some type of food and let's make it in our own way.

**[00:17:05.050] - Layane**

So you're just constantly thinking about new things? Yes, just part of the business?

**[00:17:10.600] - Speaker 2**

Yes.

**[00:17:11.420] - Layane**

Okay, nice. And if we think about innovation, innovating, the business, like you're already innovative company because you are always trying to integrate something new. But if you think about the limiting factors, why sometimes certain things are not done, certain projects and you look at this table here where you have reasons for why certain companies don't innovate, don't implementing things, what do you think are the real typical problems that you face?

**[00:17:49.350] - Speaker 2**

I'm thinking about two reasons, or maybe three. Limited information about innovation because we stick to the things, changing the menu or making different topics of the same type of event is not an innovation. So we kind of don't innovate, we just do our things differently from time to time. Limited information about the market. It can also be the problem because we rather base our decisions on opinions of people who are not always having the best information about the market

and innovation. But they have strong position in the company and they are listened to and they are not always the most competent people to listen to. However, they work very long time and they used to be doing these things for a long time. So they are considered as they are specialists from that because they were doing it. And also uncertainty demand for goods like the pizza. We started pizza and then came January and February, which are two the poorest months ever. So we couldn't even evaluate correctly whether people really like it or dislike it because all the restaurant was quiet and it was the same low demand for pizza like for all the other dishes.

**[00:19:34.310] - Layane**

So there is this uncertainty whether products will be sold or not. That's something that holds you sometimes.

**[00:19:41.740] - Speaker 2**

There are many, many factors. You have rain, you have no people, you have nice weather, you have a lot of people. So sometimes we cannot even predict it. But that's why we strongly encourage our guests to always book the table in the restaurant. So also we can adjust our personal and staff and way of work to the certain days. If we know we have a lot of reservations, we don't really need to think of the weather or the day of the month or day of the week or the upcoming Christmas because we say, okay, guys, we need more people because we have fully booked restaurants.

**[00:20:46.430] - Layane**

So you prepare better. Okay? And is there any reward or opportunities for people who come up with new ideas? Like have someone from the waste team that I have this idea and it's implemented, it works. Do you get any rewards, any recognition?

**[00:21:09.120] - Speaker 2**

It's blocked by the people who are first of all, friends of the owners. Second, they were doing that many times and whether they are competent or not, they are doing it. And then when you have a waiter coming up with an idea like we had last year, hey, let's do it. We are going to be closed on New Year's Eve and my friend is looking for a place to have a 100 person party. Why don't we do that? And the person responsible for events was like, yeah, okay, but only if they pay super much. And it was kind of blocked. And then at the end it failed. So it's like there is no space for contribution. And usually these ideas are put down saying that, okay, you do your job, I do mine. We have a person from events, so why would we wait or come up with the new solution with a new idea? So this doesn't work very well in our restaurant.

**[00:22:17.830] - Layane**

Okay. And another question is how innovative you consider the restaurant compared to the competition to other restaurants that are in the same business field?

**[00:22:30.880] - Speaker 2**

I think it's quite innovative. We are in top five restaurants in the last three years, I would say, and I think we do great job, but still we could do better.

**[00:22:53.110] - Layane**

Okay. And if you had the chance now as a manager to change something in the company now, what would you change?

**[00:23:01.690] - Speaker 2**

First of all, I would change a little bit our approach to changes. I would listen more to the personnel, to the waiters, bartenders, chefs, because now it's like three people say let's go this way, and whoever questions that is, just put down like, hey, you care about your job, we are going to do it. So this is what I would change because we could get many fresh ideas for development. We have students, marketing students, people who work in the companies and they know some stuff. But the event manager is good friends of the main manager. So it's like all the ideas are blocked.

**[00:23:51.810] - Layane**

Okay, so you would be more open.

**[00:23:54.380] - Speaker 2**

I would be more open if it comes to new ideas and contribution.

**[00:24:03.230] - Layane**

And if you decide to implement anyone from those teams, like menu, or even if they decide to implement something new. Is there like a strategy? Like, oh, we need to do first a market research and then we check prices. Is that any strategy? Or they do their own thing without any plan.

**[00:24:23.350] - Speaker 2**

So first it's like the chef check the supplier, calculate the food cost, calculate the profit and check if we can really be supplied constantly with the product. So let's say we have a new burger in our menu, so we need to make sure and it's one of top three dishes bought in our restaurant. So we have to make sure that we constantly have the supply of that because imagine you have the new burger, that is our star. And then we don't have it constantly. So this is big preparation, looking for suppliers, making sure they work well for us if it comes to bar, they also work closely with the suppliers and they develop new drinks. So they make recipes for these drinks. They store enough of ingredients to make our own soda, to make our own drinks. So this is the other part. And then we

have a general manager that is just trying to implement it and organize with the social media person. How do we promote it, how do we go with that? When do we start? How should we prepare?

**[00:25:51.070] - Layane**

Okay, so you kind of combine the teams and marketing as well. So involve everyone in the strategy.

**[00:25:58.290] - Speaker 2**

But it's mostly like when all the data is collected, the marketing team and event team kind of decides. So okay guys, you will do this. If you can make it, you do it.

**[00:26:13.270] - Layane**

Okay? And how do you measure that certain innovation that was implemented was successful? How do you see this was positive?

**[00:26:44.850] - Speaker 2**

We have reports and we see how much of what we sold. So for example, there was usually on the Saturday, let's say we have 20, 30,000 income and when we make the Tartar festival, we have 40,000, let's say. And then we checked how much of that was for the festival and how much money was for ala carte from our normal dishes. Because one Saturday can be better, one can be worse. We also listen to our customers. We are very active on social media and we check the reviews and there are a lot of stories. We are targeting a lot of recommendations of just let's say two, three dishes and five cocktails. And we kind of also have opinion of the cocktail bar in the town. So people are like, okay, you want to try some crazy new cocktail? Go to this place. So we are kind of famous as a cocktail place. So this is also kind of a way to check how it works.

**[00:28:06.730] - Layane**

Okay, cool. So last question is to look at this list and if you think for the future, if a restaurant had to focus on certain specific innovations that customers kind of tend to adapt, what do you think would be the three main things that a restaurant has to focus for the future that clients are more likely to require?

**[00:28:45.370] - Speaker 2**

I think attention to health and local and regional food could be something good because we are not at all perceived as eco or sustainable. We are great, we are expensive, we donate food, we do nice events. But it is not mentioned that we are eco or sustainable. Now we are trying to buy wines from very small places and local places and based on bio growth of the grapes. For example, we had the type of wine with reusable bottles that was coming to us. People were drinking this wine and supplier was taking wine bottles from us. And I think we could go more in this kind of attention to health as well because our food is great but it's greasy, you get fat. We don't have many vegetarian options,

we don't have vegan options. People tend to ask more and more about it. So I think this is where we should shift to have at least two, three, four dishes that are all vegan or light dietetic gluten free.

**[00:30:22.480] - Layane**

Okay. All right. Is there anything else you want to add?

**[00:30:29.690] - Speaker 2**

No. I wish you good luck with your thesis. I hope it all goes well.

**[00:30:33.960] - Layane**

Yes, thank you very much.

**[00:30:35.470] - Speaker 2**

Thank you.

M5Interview

**[00:00:000] - Layane**

So I will start by presenting myself. I'm a Layane. I'm Brazilian and a student of Management at Hasselt University. So I'm conducting research about innovation in restaurants. So I have questions, and there are no right and wrong answers. And if you don't want to answer any of the questions, if you can't, it's totally fine. And there is also privacy. So this won't be shared with anyone else just the research and all the names won't be disclosed, not even the name of the restaurant. So that's it. So my first question is how long have you been operating the restaurant?

**[00:00:13.360] - Speaker 2**

21 years.

**[00:01:08,900] - Layane**

And how long have you been working here?

**[00:01:13,710] - Speaker 2**

since 2002

**[00:01:32.070] - Layane**

That. And do you know what the capacity of the restaurant is currently? How many people? Here? Sitting? Yes.

**[00:01:40.280] - Speaker 2**

55 or 60. Maximum 65.

**[00:01:44,800] - Layane**

I understood. And if you could summarize the concept of La Cantina Brasileira like this, briefly, what would the concept of this restaurant be? What sets you apart from other Brazilian restaurants?

**[00:01:59.550] - Speaker 2**

Ah, I don't think there is any difference, I think that everyone has their own taste, their own identity, but what I think is my concept of the restaurant, which I think is tradition, we have the difference of basing our recipes on the Brazilian roots, right? And we try to make a very typical cuisine, very simple, very traditional, a lot of garlic, a lot of onion, a lot of seasoning, because Brazilians like delicious food. And go there! That's our flag.

**[00:02:32.540] - Layane**

Excellent! And do you know if there have been any changes in the restaurant in the last six months? Have you changed anything in the menu, anything in the structure, in the kitchen, in the last six months or has there been no change?

**[00:02:47.560] - Speaker 2**

Ah, we had a change yes. We changed our menu, we put the two extra things.

**[00:02:57.970] - Layane**

What was the result from this change?

**[00:03:.030]15 - Speaker 2**

According to our sales reports the new items in the menu have been appreciated a lot by our customers. We have been selling more than we have expected.

**[00:03:25.940] - Layane**

Where do the creative process comes from?

**[00:03:37.960] - Speaker 2**

They are generated by the team. There is no specific person who does this. No, each one has an idea and then puts the idea together and if it is good, we move forward. But the most artistic person in the restaurant in terms of decoration and ideas and everything, is Ricardo, right?

Do you have freedom to make changes in the restaurant or do you have some independence over certain things?

yes, we are very open to everyone in the team who wants to suggest any change

**[00:04:09.000] - Layane**

Did you encounter any difficulties implementing?

**[00:04:22.310] - Speaker 2**

The most difficult part is controlling the costs, making sure the product will have demand and gonna be profitable.

**What was the main driver of this implementation?**

We wanted to boost our sales, to use ingredients that we already have in our kitchen and to bring new things to our customers.

**[00:04:37.970] - Layane**

The shopping. I see, so you don't have a lot of difficulties?

**Speaker 2**

No.

**Speaker 1 Layane**

Good. And do you have any plans to put in anything new in the future? Are you discussing anything at the moment or not?

**[00:04:50.790] - Speaker 2**

No, not at the moment. We don't, for the moment there's nothing.

**[00:04:56.160] - Layane**

No project at the moment?

**Speaker 2**

No. They're focused more on day to day.

**Speaker 1 - Layane**

When you want to put something new on the menu, do you find it difficult regarding cost or are things very expensive here, ingredients or not?

**[00:05:14.820] - Speaker 2**

Absolutely, things have increased a lot after the quarantine. We have seen a very big change in the bills. I think it has increased a lot, but we try to buy the cheapest to make it easier.

**[00:05:27.930] - Layane**

Yes, I understand. Do you think that you are innovative, innovative compared to other Brazilian restaurants? Do you consider yourselves innovative?

**[00:05:40.950] - Speaker 2**

Yes. I think so, I think so, of course I think so.

**[00:05:59.260] -Layane**

If you could change something today in the restaurant, I want to change such and such and good, I'm going to change it now and it will get better, what would it be? If you pick one thing to improve, what would it be? Structure, something, the staff.

**[00:06:16.520] - Speaker 2**

I don't know. The only thing I would like to have improved, is to have a bigger space, make the second floor, a bigger capacity to accommodate the clientele because there are a lot of people that sometimes want to come in the restaurant but don't have a place. So I would like to please more. But today I wouldn't.

**[00:06:37.210] - Layane**

Okay, cool. Now, look at this list and if you think for the future, if a restaurant had to focus on certain specific innovations that customers kind of tend to adapt, what do you think would be the three main things that a restaurant has to focus for the future that clients are more likely to require?

**Speaker 2**

Simplicity. They are looking for simplicity. Naturalness, simplicity, that's our project. Give everything fresh. Also local ingredients, avoiding industrialized things. Attention to health, healthier food.

**[00:00:00.400] - Layane**

When you put a new ingredient on the menu, some new product on the menu, how do you decide if it will stay on the menu or not? Do you look at the sales issue, do you ask the customers if they like it? How do you evaluate if it was well accepted?

**[00:00:27.240] - Speaker 1**

We test first with the team and then with the customers, if there are sales we keep it in the menu.

**Layane**

Yeah. Well, thank you very much. Thank you for contributing with the research and in the end, if you want also to get the final paper. So thank you very much for your contributions and thank you very much.



