

Determinants of Restaurant Revenue Management; RevPASH Analysis for Registered Tourist Restaurants in Colombo District

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Revenue management is a sophisticated form of supply and demand management. Its primary focus is managing customer demand through the use of variable pricing and capacity management to maximize profitability. Most restaurant owners and managers are trying to increase their revenue. But they used the wrong determinants to measure the revenue. This research intended to identify the determinants of Revenue per Available Seat Hour (RevPASH) in registered tourist restaurants in the Colombo district. RevPASH is a performance metric in the restaurant industry. Further, this study examined the relationship between RevPASH and its determinants in a registered tourist restaurant in Colombo district. To achieve these objectives, the study was conducted as a quantitative study and used a questionnaire as a data collecting technique. A total of 75 SLTDA registered tourist restaurants in Colombo district were selected as the study sample. Descriptive statistics and correlation analysis were used to analyse the data with the support of the SPSS 22 version. Determinants of RevPASH were identified using descriptive statistics. According to the results of the correlation analysis, a weak positive relationship was indicated between the total number of employees in the restaurant, services & facilities of restaurant, the centrality of the restaurant corresponding to the location with the RevPASH. Further, there was no relationship between the total number of covers in restaurant, restaurant-grade, restaurant establishment year, restaurant refurbishment, and distance to the main road from the restaurant with RevPASH in registered tourist restaurants in Colombo district. According to the results, restaurant owners and managers in registered tourist restaurants in Colombo district should pay more attention to the total number of employees in restaurant, services & facilities of restaurant and centrality of the restaurant corresponding to the location to increase the RevPASH of their restaurant to enhance the revenue.

Keywords: Revenue management, Restaurant industry, RevPASH, Performance metric, Determinants