

CHAPTER I

INTRODUCTION

1.1. Background of the Study

Restaurant business competition is getting larger each day with different styles of restaurant. Where it drives owners ought to be innovative, and following what consumers like. Some people succeed by following the trend while others did not last long. In a modern society with diversity of preferences, with the right way to maintain the long term restaurant business is not only through following the trend when a comfortable term is still beneficial. Nowadays, consumers tend to choose beneficial elements rather than just to make a purchases at a restaurant. The restaurant could draw consumers with simply have a nice environment which is very demanded by people nowadays.

Restaurant should provide significant and unique store atmosphere to make consumers pleasant to stay and revisit. It is influencing the consumers' perceptions towards the quality provided, that is why store atmosphere is very important. With consumers staying in the restaurant longer, it could make a possibility for the customers to purchase more. Another reason is also because of it is not easy to fight in terms of products, location of the restaurant, and the biggest challenge is the price range.

According to Levy & Weitz in Rita (2017), store atmosphere is the combination of physical characteristics of store which together can create an image in the consumers' mind where it influences their emotional responses and buying behavior, which come from the consumer experience in the restaurant.

The researcher conducts the research at BaReLo Swiss-Belinn Medan. BaReLo Restaurant is under ownership of Swiss-Belinn Hotel. It is located at Jl. Surabaya No. 88 Medan. Every Swiss-Belinn hotel in Indonesia has BaReLo restaurant as their dining place. It is considered as well known restaurant, since it has branches all over Indonesia such as in Kupang,

Malang, Jakarta, Surabaya, Medan etc. In Medan, the hotel is located very near to the center of the city, and their surrounding are full of culinary which tend to attract candidates to stay at their hotel. But not many people know about this restaurant. That is one of the reasons the researcher wants to do the research in Barelo restaurant. The reason the writer is interested in this topic is because the researcher explores herself when choosing the restaurant and the researcher feels that store atmosphere is very important beside the quality the restaurant provide.

In BaReLo Medan, the researcher finds that there is no smoking area, and people can smoke everywhere even inside the restaurant, this also commented by previous guest through website page where they feel distracted with the other customer smoking inside the restaurant. For some people it might an issue since the scent could be polluted. This is a concern because a good restaurant should have clear atmosphere without guest feeling disturbed by several reasons like scent.

The cleanliness of the store is also affected from the smoking customer, and when in a busy time, the cleanliness of the restaurant is missed, although it is not as bad as we could imagine.

Based on my observation the entrance access to the restaurant is not only through the Swiss-Belinn main gate, customer also could access from the back of the hotel where it is connected to other street which is Jl. Selat Panjang. The lightning of the store is not good enough where from the outside nobody could notice the present of the store.

Temperature of the restaurant also has a problem, since that most of the hotel is using central air conditioner. Although the restaurant is not closed in an area, but the temperature of the restaurant sometimes is not checked and following the current temperature of the environment. In which resulted the restaurant is warm in a sunny day or not cool enough.

Consumer impression of a store is very important, it could attract customer to be a repeater and most important thing is when they are sharing opinion about the store and recommend to others by mouth to mouth about the vibes they felt inside.

The writer is aware that other study than store atmosphere contributes to consumer purchasing behavior. Because of time limitation and also problem limitation, the writer would like to research what the writer more interested in which are cleanliness, scent, temperature, and lighting and focuses the consumer behavior variable based on the likeness to spent time in the restaurant and the desire in coming back to the restaurant. The writer realizes it could bring more benefit to the readers since that it is not only useful to where this study is conducted, but also any kind of hospitality that need to maintain the atmosphere of the place.

Therefore, considering the fact that the store environment could influence on consumer patronage, researcher is interested to do research within the company under the title:

“The Influence of Store Atmosphere on Consumer Behavior at BaReLo Swiss-belinn Medan”.

1.2. Problem Limitation

The limitations of the study are the methodology that influenced the interpretation of the findings from the research. It is important to limit the research problem. Problem limitations are related to methodology used where the process possibly would impact the results. Therefore, the variables that will be discussed in this study are limited to variable X (store atmosphere) and variable Y (consumer behavior). This research is limited to the customers of the restaurant and customers that have ever been to the restaurant that have experience in this area for the better results, with respondents as many as 91 respondents.

Because of limitation of times, ability and knowledge, and which are based on the problem found at Barelo Swiss-Belinn Medan, researcher has decided to focus on the scent, temperature, lighting, and cleanliness at BaReLo Swiss-Belinn Medan for the independent variable, and for the dependent variable only focus on the time spent in the store and desire to stay or coming back to the restaurant.

1.3. Problem Formulation

As problem mentioned in the background of the study, based on the researcher's observation explained above, the problem formulation is "Does the store atmosphere has influence on consumer behavior?"

1.4. Research Objective

Objective of the research is the goal to be achieved in examining the research. The purpose of the research is to find whether store atmosphere has influence on consumers' behavior at BaReLo Swiss-Belinn Medan.

1.5. Benefit of the Research

This study is hope to provide benefits to the reader in theoretical benefit as well as practical benefit in the following.

1.5.1 Theoretical Benefit

The theoretical benefits obtained in this research are:

1. To increase knowledge in the field of store atmosphere and consumers behavior.
2. To determine which factors has more influence on consumer behavior.
3. From the results of this study is expected to become material references or studies for subsequent studies to be able to improve and perfect weaknesses in this research.

1.5.2 Practical Benefit

The practical benefits gained in this research are:

1. As an evaluation material for BaReLo restaurant in providing ideas based on the outcome of this research.
2. This research is expected to be able to contribute ideas and considerations for the company to apply knowledge that has been learned and able to apply the appropriate method of presenting the ambiance.

1.6. Systems of Writing

The systematic outline of writing in this research will be as follows:

1. CHAPTER I: INTRODUCTION

The first chapter begins with background of the study which explains about the object research, why the researcher wants to conduct a research in designated area, and the cause and effect of the problem of the object which decided to do research in a study titled “The Influence of Store Atmosphere on Consumers’ Behavior”. It also contains problem limitation where it clearly stated the limitation of this study so the research is not too abroad and focus on what should be discussed. Then the problem formulation formulated by the writer as the question which will be examined in the next chapter and should be answered. Next, objective of the research where mentioned clearly the purpose of doing the research, and benefit of the research where provided theoretical benefit and practical benefit. Last but not least is systems of writing, where in this section contains an overview of how this research will be done by describing brief explanation of each chapter.

2. CHAPTER II: LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

In the second chapter, it contains supporting theory of the research for instance theory of store atmosphere, consumer behavior as well previous research, and hypothesis development which enhanced with research model and framework of thinking. Hypothesis development is the temporary answer which could be right or wrong and will be proved along with this research. Research model is containing of explanation of dependent and independent variable which the writer also provided the figure of research model and also explain the research model the writer use. Framework of thinking is prepared by the writer in form of figure chart where mentioned clearly and brief

the background of the study, research problem, theoretical framework and hypothesis.

3. CHAPTER III: RESEARCH METHODOLOGY

In the third chapter, it explains how this research is designed and what method does the writer use, what is the object of the research, also definition of operational variables, and how is the data collection method and data analysis method. In this chapter, the dependent and independent variable will be explained, and what type of scale measurement will be used. This chapter also mentioned about the research population as well the sample of the research by using formula to determine how many the respondents are. In this chapter will also explain about the data collection method, in which the primary data and secondary data is taken. Next is operational variable definition where the writer prepared it in form of table. It contains indicators, which measurement will be used to measure each indicator, and provided the questionnaire statement related to the indicators. Then the data analysis method, where it has been mentioned by using which method to have the data analyzed, in which the writer decided to use descriptive analysis, measure of central tendency and dispersion, correlation analysis, and also mentioned how to test the data quality by using validity test, reliability test and normality test, and also hypothesis test to analyze the hypothesis question.

4. CHAPTER IV: RESULTS AND ANALYSIS

This chapter consists of brief history of the company, organization structure, job description or the responsibilities of the employees, vision and mission of the company, and the result from the research in form of descriptive statistics, tested results of data quality, test of hypothesis, and closed with discussion. The descriptive statistics is provided in form of frequencies, measures of central tendency which are mean, median and mode, and measures of dispersion which are

range, variance, and standard deviation. Then the tested results of data quality in this case are validity test which is done to find the validity of questionnaire items, reliability test which is done to test if the questionnaire items are reliable or not, normality test which is done to find if the data has normal distribution, correlation test where it is done to find the correlation between variable X and Y, determination test which is used to determine how large the influence of variable X towards variable Y, simple linear regression which is used to find the regression line. Lastly is hypothesis test where the writer using z-test to answer the hypothesis question. This chapter ends with the discussion which is consisting of the summary of the data results.

5. CHAPTER V: CONCLUSION AND RECOMMENDATION

In the last chapter, the researcher makes a conclusion which is the brief answer from research questions drawn from the conducted research, and answer for the temporary hypothesis whether it is accepted or rejected. Next is the implication of the study where written the writer's hope for the company, the readers and the next researcher and end with recommendation that is made based on the tested result of each variables which believed could help to implement better solution for the problem and also recommendation for future researcher.