

CHAPTER I

INTRODUCTION

1.1 Background of study

People that eat outside their house are increasing. Dining out in a restaurant is a common phenomenon for these people. People exhibit this behavior because people are pressed by time, and more convenient to dine out than learn how to cook many dishes, and their need to socialize with other people. Currently, urban communities chose to dine-out to have time with family or with partner. Dining out can make people feel special, and can be used as means to celebrate something with friend. (www.Ezinearticles.com, retrieved on 1 May 2014). Nielsen's research (2008) in his study revealed that 44% of the users claimed to eat at a restaurant once to three times per week.

The growth of trade, hotels, and restaurants in Indonesia improve by 5.93% throughout 2013 (www.thejakartapost.com, retrieved on 12 May 2014). Many business people open up the culinary business to capture the opportunity. Association of café and restaurant Indonesia (Apkrindo) said that the members of Apkrindo are increasing from 100 brands in 2010 to 120 brand in 2011. So there are one to two new brands in every month (www.bisnis.com retrieved on 8 may 2014). Moreover, according to the head of Apkrindo, the sales of food and beverage will grow in 2015 (www.radarjatim.com retrieved on 8 may 2014). The phenomenon those happened in these days will boost the growth of culinary business in Indonesia.

People who chose to dine out consider the portion of food as well as the taste, ambience and the concept of the restaurant (www.Tempo.com, retrieved on 8 May 2014). These reasons for the choice of many restaurants encouraged these restaurants to a unique atmosphere of the restaurant. It is believed that the food place with unique concept will attract the customers more in Indonesia (www.vivalife.com, retrieved on 8 May 2014).

Based on preliminary survey, there are two popular places in Surabaya for dining out. These places are Food Festival and G-Walk. Food Festival and G-Walk have the same concept, which is the “food stall”. Specifically, people can choose from a range of food and enjoy the evening atmosphere in Surabaya. However, Food Festival and G-walk have different store arrangement. Food Festival has a food court and follows a food stand arrangement, while G-Walk only has a food stand arrangement.

According to citraland website, G-Walk that located in the Citraland residence provide comfortable ambience and have outdoor and garden atmosphere with beautiful lights in the night and food stalls with many variant of food to hang out with friends. It also provide free parking lot and also many event and entertainment like live music and special events (www.citralandsurabaya.com, retrieved on 15 December 2014).

Compared by Food Festival, Food Festival is a good place to hang out with many attractive event and many variation food. Food Festival is easy to access and has many available parking lot. With interesting decoration, garden and beautiful lights that hanging across the road, this place is become good outdoor place to hang out (www.encycity.co).

Food Festival is a dining spot in Pakuwon City Region located in East Surabaya. Its operating hours start at 05.00 pm in the afternoon with semi outdoor food court concept. It has more than 60 restaurant-tenants offering various food. There is music entertainment and several activities such as dance competition and ‘pasar malam cap tunjungan that invite people to join (www.sparklingsurabaya.info, retrieved on 9 May 2014).



Figure 1

Food Festival, Pakuwon City Surabaya

Note. www.instagram.com retrieved on 13 may 2014

G-walk is a dining spot in Citra Land Residence located in West Surabaya. According to Ahmad Helmi, event and promotion coordinator of Citra Land, this dining spot built in two kilometers alongside the road has 90 dining places made of two concepts. These concepts are café and restaurant that serve food in an enticing atmosphere, and a food court for group dine-out.



Figure 2

G-Walk Citraland Surabaya

Note. v2.garudamagazine.com retrieved on 13 may 2014

With many competitions in culinary business, G-walk and Food Festival capture the opportunity of the changing of customer behavior. When people are pressed by work, people become more individual and lack time to socialize with others. With outdoor atmosphere, people can enjoy their night to see the night sky

while they enjoy their food. Outdoor places offer customers to have a social connection and a bond with others. Outdoor place also can give them a freedom to express feeling within a community. Good food, fresh air, and friend or family gathering that people experience help reduce their pressure from work.

G-walk and Food Festival have made their own uniqueness to create the atmosphere of their area, which is from the external and the internal of the place. How they design their places can make major impact of the visitors. It can create some behavior of the visitors in accordance to the provided atmosphere.

Customer visitation behavior can be referred to customer buying behavior, can be defined as a part of long decision process and start long before the purchasing decision then continue after the purchasing decision. Consumer behavior itself is mental, emotional and physical activity that people use during purchase and use products and services that satisfy their needs (Kotler, 1999 cited in Jedi et al., 2013). Customer can purchase different product because they have different buying decision process (Jeddi et.al, 2013).

The store atmosphere is one of the important elements that create unique experience and move the customers to buy (Kotler & Amstrong, 2006). Similarly, Yalçın and Kocamaz (2003) stated, knowing the atmosphere attribute variable that impact to the feeling of customers can suggest the appropriate marketing strategy and also maintaining the positive shopping experience of customers. Moreover, Stated by Bitner (1992) as cited in Yalçın and Kocamaz (2003) the facilities in store have strong impact in customer perception of service experiences. There are five atmospheric environments which are: external environment variable, general interior variable, layout and design variable, point of purchase variable, and human variable (Turley & Milliman, 2000).

First, the external environment is the visible part of the store before entry (Ward, Bitner, & Barnes 1992 cited in Yalçın & Kocamaz 2003). Moreover, Turley and Milliman (2000) stated that the research about this topic is really rare,

although it is known that this variable is are important, as a first impression of customer regarding the store.

The second variable is general interior. According to Groppe-Klein and Baun (2001), a good general interior must evoke the arousal of customers. It is strengthen by Bohl (2012), the physical environmental affect the customer emotion and caused the behavior changes both positive, which buy more and stay longer or even negative emotion which buy less, leave earlier. Restaurant business do all of their restaurant design, it is because the restaurant interior can help their business to implement their store strategy, build loyalty, increase sales on visits, or even control their cost (Levy & Weitz, 2012).

Third layout and design variable. Oxford dictionary give definition of layout as the way in which the parts of something are arranged or laid out. Oxford dictionary define design as a decorative pattern, decide upon the look and functioning of (a building, garment, or other object), by making a detailed drawing of it. Furthermore, layout design can make a positive effect toward customers. According to Levy and Weitz (2012), design of store can attract customer to visit, increase time and purchasing things in store, and in a long term, it can encourage customer's behavior to visit the store and build the customer loyalty.

Fourth is point of purchase variable. According to American Marketing Association (AMA), point of purchase is promotional materials placed at the contact sales point designed to attract consumer interest or call attention to a special offer. According to Berman and Evans (1995), Levy and Weitz (2009) that cited in Bohl (2012), point of purchase has an important role for store. It is strengthen by Curhan (1974); Chevalier (1975); Wilkinson, Mason and Paksoy (1982) Gagnon and Osterhaus (1985) that cited in Turley and Milliman (2000), the prominent product display which is one of type of point of purchase influence significantly the sales in store. The promotion that attach in a large size will increase the possibility of customer to buy the promotion product (Bohl, 2012).

Last is human variable. According to Oxford dictionary, human is factor that relating to or characteristic of humankind. According to Bitner (1992), Turley and Milliman (2000) cited in Bohl (2013) employee number, appearance and behaviour affect the consumer's perception of a firm then influences the behaviour. Continued by Baker, Levy and Grewal (1992), the friendliness of employee give a positive impact toward the customers. Crowding can lead to a negative emotion or also can lead to a positive emotion.

Based on the phenomenon and theories, the author does a research with title "The Effect of Store Atmosphere towards Customers Visitation Behavior at Food Festival and G-Walk, Surabaya".

1.2 Research Problems

The research problems of this study are tested for Food Festival and G-walk. These problems are as follows:

1. What are the characteristics of customers at Food Festival and G-walk?
2. Does external environment affect customer visitation behavior?
3. Does general interior affect customer visitation behavior?
4. Do layout and design affect customer visitation behavior?
5. Does point of purchase affect customer visitation behavior?
6. Do Human characteristics affect customer visitation behavior?
7. Are there differences between customers at Food Festival and G-walk in terms of:
 - a. External environment
 - b. General Interior
 - c. Layout and Design
 - d. Point of Purchase
 - e. Human characteristics

1.3 Research Objectives

The objectives of this research are as follows:

1. To identify the characteristics of costumers at Food Festival and G-walk.

2. To determine the effect of the following dimensions of store atmosphere towards the willingness of customers to visit Food Festival and G-walk:
 - a. External environment
 - b. General interior
 - c. Layout and design
 - d. Point of purchase
 - e. Human characteristics
3. To identify differences between the customer at Food Festival and G-walk in terms of the indicators of store atmosphere.

1.4. Research Contribution

This research is expected to be useful to the following related parties:

1. Future Researchers.

This research can serve as a reference in consumer behavior and visitation behavior. The analysis of attributes of store can affect the customer visitation behavior in the culinary and restaurant business.

2. Food Festival and G-Walk.

The research can contribute to the evaluation of Food Festival and G-Walk outdoor food court. This study can identify significant store atmosphere attributes customer visitation behavior.

3. The researcher.

This study can provide valuable information about the importance of attributes of store atmosphere in a culinary business. It is the researcher's interest to use thse information in the future culinary business plan.

1.5. Research Limitation

This research used Food festival and G-walk in Surabaya as the following research object. This research are used the variable: customer visitation behavior, atmosphere attribute, external variable, general interior variable, layout and design variable, point of purchase variable and also human variable. This research took place in Surabaya and held on August 2014 to October 2014.

In the data distribution, initially, the researcher want to distribute the questionnaire in the location. But the Authority of Food Festival does not allowed the questionnaire distribution, so the distribution is in the outside Food Festival Surabaya area

1.6. Research Outline

Research outline explains the systematic writing of this study. The outline is divided into five chapters as follows:

- Chapter I: This chapter sets up the research problem for the reader. It also provides the background information defining the issue and important terms. It specifies the research objectives explored in greater detail to contribute to understanding the research problem
- Chapter II: This chapter summarizes the major studies and finding that have been published on the research topic and how this study contributes or adds to what has already been studied. This chapter also states a clear description of customer visitation behavior, atmosphere attribute, external, general interior, layout and design, and human variable that apply to the research problem, an explanation of why it is relevant, and how the modeling efforts address the hypothesis to be tested.
- Chapter III: This chapter explains the detailed technical and scientific activities which include the research design, sampling plan, instrumentation, statistical tools, and treatment of data.
- Chapter IV: This chapter organizes the logical presentation of all findings in the research questions, and focus on how these key findings relate back to the theory and prior researches presented at the beginning of the study.
- Chapter V: This chapter outlines the implication, conclusions, and recommendations supposed to advance the study of the research topics by theoretical, methodological, or substantive contributions.

