

***INVESTIGATING CUSTOMER PREFERENCE WHEN CHOOSING A RESTAURANT  
IN SURABAYA, INDONESIA***

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*Abstract – Investigating Customer Preference When Choosing a Restaurant in Surabaya, Indonesia*

*The purpose of the research is to analyses the factors which influencing customers when choosing restaurants in Surabaya, Indonesia. The examination started by doing the secondary research by the author in-depth about the consumer behavior, customers' preferences, and restaurants industry specifically in Surabaya, Indonesia. The next part of the research is the secondary research which is conducted between 25<sup>th</sup> December 2016 and 8<sup>th</sup> January 2017 distributed 200 questionnaires to customers in Surabaya, Indonesia. The result is analyzed and compared to the theoretical background and the literature review. After analyzed and compared the author concluded the result of the factors which influencing customers when choosing restaurant in Surabaya, Indonesia. However, customers in Surabaya, Indonesia influenced by many things when choosing restaurants and the main factors is the quality of the food as the first and the service quality as the second. In addition there are some differences of the influencing factors between female and male when choosing restaurants in Surabaya, Indonesia.*

*Keywords:*

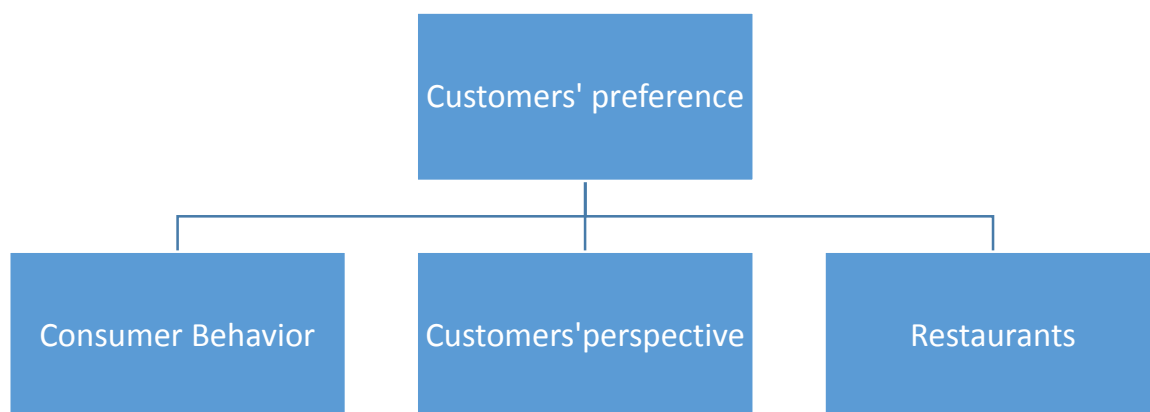
*Customer's preference, restaurants, Surabaya, Customer behavior, Customer's perspective.*

**INTRODUCTION**

The Restaurant industry is one of the rapidly developing business sectors in n Surabaya, Indonesia. Based on the Indonesia Investment (2015), food and beverage business growing between 4 to 5 percent in 2015. According to the large number of food and beverage industry in Indonesia, it is define that restaurant as the sector of food and beverage industry go through the same growth too.

Nowadays, food is no longer as a basic needs of human but food is more about lifestyle and trends (Sloan, 2004:60). Like how food is become a new lifestyle, restaurant businesses not only about food selling but also sell another attributes as the preferences of the customers. As it is said by Jang and Namkung (2009), the basic that restaurants provide that impact the customers' perception is foods, services, and dining environments. The perception of the customers and the customers behavior have a mutual influence relationship which is also influence by the quality of the products and services of a restaurant. The relatedness of the attributes to the customers' satisfaction it is interested the researchers to know more about it, for example Bonjanic, 2007; Kwun and Oh, 2006; Liu and Jang, 2009; McCleary et al., 2008; Chen and Hu, 2010; Ryu et al., 2012 (Jang, 2013). The satisfaction of the customers in virtue of the experience of the customers of the products and services of the restaurant defined the result of the customers' perspective and the consumers' behavior towards the restaurant itself. Akinboade et al. (2012) defined customers' satisfaction as an entirety achievement of customers' expectation (cited on Chodzaza and Gombachika, 2013). The satisfaction of the customers related on how customers' loyalty to the restaurant as it is said by Santouridis and Trivellas (2010) which the satisfaction of the customers affect the attitude and the behavior of the customers' loyalty towards a brand of products or services.

## FRAMEWORK



## **Consumer Behavior**

Consumer behavior has become a research study since 300 years ago to analyze how customers making their decisions (Richarme, 2007). Consumer behavior defined as study of the process of individuals or groups select, purchase, use, and dispose product or service experiences to fulfill their needs (Solomon, Bamossy et al. 2006, p6). According to Schiffman and Kanuk (2007, p.3), consumer behavior also defined as the behavior of the customers in search, purchase, use, evaluate, and dispose products and services to satisfy their needs whether as their expectation.

Consumer behavior is important to be understood by the business practical, as it is said by Kotler (2000) that the focus of the sustainability of the company by keep their customers' satisfaction and loyalty. Nowadays, consumer behavior not only about the buy and use products and services, but it is also about the social and psychological factors that influenced the buy and use activity (Carman, 1990). Nowadays, the buying behavior of consumer towards food is changing in Emerging country for many reasons such as stated in Rao, 2000; Shetty, 2002; Deshingkar et al., 2003; Vepa, 2004; KPMG, 2005; Kaushik, 2005; Kaur and Singh, 2007; Pingali, 2007 (Ali et al., 2010). The changing is influenced by the economic, cultural, lifestyle, and psychological factors (Roux et al., 2000; Roslow et al., 2000; Roininen, 2001; Choo et al., 2004; Ling et al., 2004; Ahlgren et al., 2004; Goyal and Singh, 2007; Nagla, 2007) (stated in Ali et al., 2010). The influenced factors has changed the consumer behavior of food buying for only as the basic needs of living but also as a new way to get an experience.

## **Customer's Perspective**

Marketing is a communication and engagement process between the company and the customers. According to Brandt (2011), modern marketing is all about the experience of the customers in purchasing and using the products or services which are offered by the company. Furthermore, Brandt (2011) also said that modern marketing should be more customers oriented which is covered a lot of things related to the customers such as advertising, pricing, promoting, and many else. Customers' perspective has to cover about the points of individual decision making process or the point of contact to collect the information based on the customers (Winters, 2014). Customers' perspective is important because it is influence the customers' perception, customers' perceived value, and the customers' preference of the company. Those three different aspects will impact the customers' loyalty, customers' buying

behavior, customers' decision making, company's brand image, company's brand awareness, and many else which will also impact the sustainability of the business.

### **Restaurants**

Restaurants influenced a lot on our dining style which make dining out as the most favorite activities among people nowadays (Wiley and Sons, 2011). Restaurants as one of the popular business in these era has more competition in order to win the customers values. According to Walter et al. (2010), to be competitive companies should know and understand about the uniqueness of the customers and what values matter for the customers. Based on Wiley and Sons (2011) there are many reasons on why people go into restaurant businesses such as money, socialization, work environment, habit, lifestyle, and many else. Restaurants are an industry which involved a lot of characteristic of people to be their customers, it is important for restaurants business to understand and to be more attentive towards the characteristic of their customers. The attentiveness will help restaurants business to keep attract the attention of the new customers and sustain the attracted of the customers by using the promotion media, service methods, and others aspects of the restaurants. The next paragraph will explain about the type of restaurants and the segmentation of the restaurants.

### **METHODOLOGY**

In this research the author decided to use the quantitative data as the approach to gain further information and data about restaurants' customers in Surabaya, Indonesia. Quantitative data considered as the most suitable tools to get the further findings since it is need a large sample to get the accurate data which represent the Surabaya customers. According to Leedy and Ormrod (2001), quantitative research is suitable to investigate and test based on the research theory structured. Quantitative method in doing research broadly can be divided into three kinds which are descriptive, experimental, and causal comparative (Leedy and Ormrod, 2001). Descriptive is a research describe the exist situation in the current time; experimental defined as a research investigate the solution of a case study and measure the result of the problem solution; and causal comparative interpreted as a research which is measure the effect of independent variable on the dependent variable and the cause-effect relationship between of the two variable (William, 2007).

## **Population and Sample**

It is important to have a clear population definition in the educational research study which is become the focus of the study (Ross, 2005). The population of this research is all the restaurants' customers who live in Surabaya, Indonesia. As it has already said before, Surabaya has approximately 2.843 million people who live in the city based on the world population review (2016). However, it will take a lot of time and highly cost to collected data from all the people in Surabaya, so the author will distributed to 200 restaurant customers with the expectation 100 of them will responds and send back to the author as the sample of this research to represent the population. According to Saunders et al. (2012), questionnaires need at least 30 samples to be considered as reliable result.

After all the result of the questionnaire is collected, the data will be analyzed and processed through Microsoft office excel. In order to show the result, the author will calculate the mean and the standard deviation in Microsoft office excel. The result will be explained in the chart, graphic, and tables in order to get the full idea of the result of the study. Then the result will be analyzed carefully in order to get the connectivity of the customers' preference data and will be compared to the theory of the customers' in the literature review.

## **DATA ANALYSIS**

This chapter will examine the analysis and conclusion of the result of the survey study which is distributed through *Google docs* from 24<sup>th</sup> December 2016 until 8<sup>th</sup> January 2017. The result of the survey will be described as the information through charts and tables. The result of the survey study will be compared to the theory in the literature review in order to know the gap between them.

The data collected the author received has a satisfied number of response from the participants which is 79% which is 158 of 200 questionnaires distributed to Surabaya restaurant customers. The amount of the participants support the accuracy and the reliability of the research data. The information of demographic data of the participants will be present through the table 4.1 below:

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Nowadays, customers have a lot of choices when they are choosing on products and services. It is kind of a difficult task for restaurants to keep the loyalty of their customers especially in a big city as Surabaya, Indonesia. The restaurants must have their uniqueness of value in order

to keep their customers to come back to them as it is said by Bendapudi (2003) that businesses including restaurants industry are searching for a new way to attract customers to come and loyal to their products and services. Restaurants business is an industry which is provide products and services for their customers and these days people go to the restaurants not only for eat the food but also for another values (Wiley and Sons, 2011). It is important for restaurants businesses to know about their customers' perceived value in order to able deliver good value of products and services (Olaru, Purchase, and Peterson, 2008).

## **CONCLUSION AND RECOMMENDATION**

Through the literature review the first objective achieved and can be concluded that customers experience and customers' perspective is important things to know by restaurant businesses. Moreover, restaurants not only over food for the customers, but also the good service and many aspects. The previous study said that the most important aspect of a restaurant is the quality of the food, but nowadays people also eat in the restaurants to get a new experience from the value that offered by restaurants. Recently, restaurants compete each other to offer the good value to their customers to attract them to loyal to their restaurants. Besides food quality, people nowadays also looking for another value when they are eating in a restaurant such as good service, convenience, affordable price, and the good ambience. There are many researchers interpreted their opinion about the important aspects in the restaurants for the customers.

In this research through the survey distribution author achieved the second objective that the author looking what is the most important aspects of a restaurant which is considered by the customers in Surabaya, Indonesia. The most important thing to be considered when choosing restaurants for customers in Surabaya is the quality of the food such as the look and the taste of the food. The second most important need to be considered for customers in Surabaya is the service quality. The result of the survey says that the service quality of a restaurant influence their intention of do the next visits to the restaurant. Furthermore there are some gap between the choices of female and male respondents in Surabaya. There are some difference of priority in put the order of the important aspects which influence them when they choosing of restaurants to go and to do recommendation to their relatives. Also the result of the surveys said that the experience also become one of the important consideration for the customers when choosing restaurants in Surabaya, Indonesia. The previous experience in their past will effect on their decisions and preferences of restaurants choices. Moreover, the experiences of the customers will also impact on the buying repetition of the customers. Most of the customers

would not come back to the restaurants where they had bad experiences. It shows the importance of the experiences of the customers for restaurant businesses to keep their customers attraction and loyalty towards their products and services. Thus, it is important for restaurant businesses to improve and maintain their products, services and other aspects of their restaurants to give a good experiences of their customers in order to fulfill their expectations and their preferences.

Overall, the aim and the three objectives are completed in this research. The result shows the customers' preference when choosing restaurants in Surabaya, Indonesia. Moreover, through this research the author can gain knowledge and recommend it to the restaurant in Surabaya, Indonesia to improve their businesses and keep their customers attracted. Also, to help the restaurants industry in Surabaya, Indonesia to develop more.

Based on the limitation of this research, the author's recommendation for the next research study is to do more specific research on a restaurant to get more specific result and deeper perspective insight of the customers. This research only gather the general information about restaurants' customers in Surabaya because it is impossible to do more specific research despite the distance of the author. Moreover, the next research study also can do the general research study like this research in another bigger or smaller city than Surabaya in Indonesia in order to measure the gap of the consumer behavior between big city and small city population. However, the information of the gap will help the restaurant business to have the right target market when they are going to build a new businesses.

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