Predicting Customers’ Intention to Revisit A Vintage-Concept Restaurant

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Abstract
Restaurants with a vintage concept become an option for urban people who want to enjoy dining out. To present this vintage atmosphere, restaurant management and owners decorated their stores with antiques and anything vintage, such as signboards, utensils, furniture, posters, and even the menu. The objective of this study is to investigate the impact of perceived value, restaurant atmosphere on satisfaction and revisit intention. This study attracted 200 respondents visiting a vintage-concept restaurant. The data were collected in Jakarta and analysed with exploratory and confirmatory factor analyses. As a result, three hypotheses were accepted and two hypotheses were rejected: customer satisfaction was influenced by perceived value and restaurant atmosphere and revisit intention was significantly influenced by customer satisfaction.

Keywords: revisit intention, perceived value, vintage-concept restaurant, atmosphere, confirmatory factor analyse

Abstrak

Kata kunci: intensi berkunjung kembali, persepsi nilai, restoran berkonsep vintage, atmosfer, confirmatory factor analyse
Introduction

Food and beverage businesses are growing significantly in Jakarta. This capital of Indonesia offers a lot of choices when it comes to F&B businesses, from a small scale hawkers and food trucks to a celebrity chef’s fine dining are available throughout the entire city. According to the report published by Euromonitor International (2013), the growth reached 250% in the last five years, and US$ 1.5 billion was spent annually for dining out.

As in many other countries, growing economy sectors come together with fiercer competition (Levingston, 2013), which made local players compete not only with other local players but also with foreigners as well. Therefore, more creative and seductive strategies are needed by local players in order to be able to survive the competition.

Products of the restaurants, food and the beverages, are most likely the main attribute for any restaurants. However, foods and beverages are not the only important factors but also service provided by restaurant employees may be another critical component of restaurants’ product (Jang & Namkung, 2009). Good quality products must then be supported by a great value of price, which mean the price has to meet the value received by customers. The next attribute is place, which is totally different from Fast Moving Consumer Goods (FMCG) products. Places for FMCG products usually have similar meaning with chain of distributions. However, for restaurants location and atmosphere can be really meaningful. The last attribute is the promotion given by the restaurants. Not all restaurants necessarily use promotions to attract customers, for example hawker stalls and food trucks; however, it is still needed in a tight competition as it is now.

Marketing practitioners and researchers have shown a growing interest in the effects of atmospherics on consumer behaviour (Liu & Jang, 2009). All hospitality service providers strive to ensure that every single detail of the physical atmosphere contributes to customers’ overall satisfaction (Heung & Gu, 2012). It has long been recognized that consumers respond to more than just the core product or service being offered when making purchase decisions; they respond to the total product. One of the most important features of the total product can be the place where it is bought or consumed (Billings, 1990). Bitner (1992) noted that physical environment or atmosphere can function as a nonverbal communication, which can influence an individual’s belief and judgment towards the products and services within that environment as well.

One of the trends in Jakarta is that most of new restaurants tend to have a concept atmospheric. This can be seen as restaurants with unique concept, such as Nanny’s Pavilion, Wilshire, El Greco, The Playground, Pizza e Birra, in which the interior design, the utensils, the menu and other details refer to one main concept. Restaurateurs establish a distinctive image that can differentiate their restaurants from the competitors so that they will be able to communicate the product’s major
benefits and positioning towards a target market (Ryu, Han, & Kim, 2008). However, although many creative concept ideas were realised by restaurateurs, not all of them were successful. One of unique concepts that is spreading all across Jakarta is oldies or vintage-concept restaurants, which usually offer various kind of Indonesia’s modernised famous heritage hawker foods like fried rice, toasts, fried noodle, various soups, and half boiled egg.

The main objectives of this study were to explore determinant factors that influence revisit intention and to understand which factors from the articles about restaurants and cafe reviewed by the authors that affect customers revisit intention. However, this study only employs perceived value, atmosphere, and customer satisfaction as independent factors since many previous studies have proved that those factors have significant correlation with customers’ behavioural intention.

The first one to introduce the concept of Atmospherics was Kotler (1973). In some instances, the place or to be more specific the atmosphere of the place is more influential than the product itself in the purchase decision (Kotler, 1973). In addition, Mehrabian and Russell (1974) have introduced a concept about environmental psychology that suggests that environmental stimuli (S) will lead to an emotional reaction (O) which in turn will drive consumers’ behavioural response (R) based on the stimulus-organism-responses (S-O-R) paradigm.

Despite the great contribution of Mehrabian and Russell (1974)’s model to the literature, it is undeniable that there are other aspects that affect consumers’ behaviour intention (Jang & Namkung, 2009). For example, within a restaurant concept, other factors such as food taste, freshness, and presentation also compose a set of stimuli towards consumer’s behaviour intention (Kivela, Inbakaran, & Reece, 1999). Perceived value is also important as it assists in creating competitive advantage. Furthermore, consumers will only purchase products or services they valued (Doyle, 1998). Another critical component that is important to affect consumers’ behavioural intention is service quality provided by the restaurant employees (Jang & Namkung, 2009).

Literature Review

Theoretical Framework and Hypotheses

Perceived Value

Patterson and Spreng (1997, p. 4) described value as a “cognitive-based construct which captures any benefit-sacrifice discrepancy in much the same way disconfirmation that does for variations between expectations and perceived performance”. As a cognitive response, perceived value leads to satisfaction, which is an effective response (Kim, Kim, & Goh, 2011).

In marketing literatures, value or perceived value has been identified as a critical construct for developing long-lasting relationships with customers (Liu &
Jang, 2009). Perceived value has been recognized as one of the most critical factors and measures for gaining a competitive edge for business success (Parasuraman, 1997), and it can also be measured to examine customer’s repurchasing intention as one of the most important indicators, or in this case, customers’ revisit intention (Parasuraman & Grewal, 2000). Value itself has four diverse meaning: (a) Value is cheap price, (b) Value is whatever one wants in a product, (c) Value is the quality that the consumer receives for the price paid, and (d) Value is what consumer gets for what he/she gives (Zeithaml, 1988). If customers perceive what they get surpasses and what they have paid, they will most likely willing to do repurchase (Liu & Jang, 2009). Thus, based on those previous findings, the following hypotheses were developed:

H1: Perceived value has positive effect and significant on customer satisfaction
H2: Perceived value has positive effect and significant on revisit intention

**Restaurant Atmosphere**

In marketing literature, atmospherics as the conscious designing of space is to produce specific emotional effects on buyers that enhance their purchase probability (Kotler, 1973). Atmospherics itself represent not only tangible but also intangible environmental features, such as music, lighting and furnishings (Liu & Jang, 2009), so atmospherics can be apprehended through senses (Heung & Gu, 2012).

There are three atmospherics dimensions that were known as service space, which includes: (a) ambient conditions, (b) spatial layout and functionality, and (c) signs, symbols and artefacts (Bitner, 1992). Ambient conditions refer to the background characteristics of the environment, such as lighting, music and scent (Heung & Gu, 2012); spatial layout and functionality were needed to convey a sense of cosiness and intimacy (Ching, 2010). While Signs, symbols and artefacts can communicate explicit or implicit messages about a place to its users (Bitner, 1992). This concept has been accepted as an important determinant of customer psychology and behaviour (Ryu & Jang, 2007). In addition, although food and services should be at acceptable quality, a pleasing service space may influence positive emotions and subsequent behaviour (Donovan & Rossiter, 1982).

Some research also suggest that atmospherics has a correlation with customers satisfaction (Heung & Gu, 2012). Wakefield and Blodgett (1996) found out that the effects of layout accessibility; facility aesthetics, electronic equipment, seating comfort and cleanliness significantly affect the customers’ satisfaction in the leisure service setting. Ryu et al. (2008) also noted that atmospherics or physical environment could be considered the same as the first component of Mehrabian and Russell (1974)’s model: the environmental stimuli. Therefore, based on those previous findings, the following hypotheses were developed:
H3: Restaurant atmosphere has positive effect and significant on customer’s satisfaction
H4: Restaurant atmosphere has positive effect and significant on revisit intention

Customer Satisfaction

In the restaurant industry, Cho and Park (2001) defined satisfaction as a summary of responses with varying intensity, with a time specific point of determination and limited durations, directed towards focal aspects of product acquisition and consumption. This concludes that customers’ level of satisfaction is strongly associated with repeated purchase intentions and return patronage.

Customer satisfaction is usually referred to as a post-consumption evaluation (Arora & Singer, 2006). The original Mehrabian and Russell (1974)’s model show that environmental stimuli will affect emotional states of the consumers. However, several studies showed that perceived value and atmospheric affected consumers’ satisfaction (Halim & Hamed, 2005; Heung & Gu, 2012; Kim et al., 2011; Ryu et al., 2008; Tat, Sook-Min, Ai-Chin, Rasli, & Hamid, 2011; Weiss, Feinstein, & Dalbor, 2005). While some research that did not use atmospherics applied satisfaction as a predictor of revisit or repurchase intention. Thus, it is notable that measuring and monitoring consumer satisfaction is a very important process, because it provides invaluable information (Baker & Crompton, 2000). Some previous research also noted that consumers’ satisfaction is an excellent predictor of repurchase intention (Jang & Feng, 2007; Petrick, Morais, & Norman, 2001)

Considering the results of previous studies, this hypothesis was developed for this study:

H5: Customer Satisfaction has positive and significant effect on customer’s revisit intention.

The Proposed Model and Hypotheses

Based on the literature review, the authors list hypotheses as presented below. In total, there are five hypotheses to be tested. Furthermore, the authors illustrate the proposed model to be tested based on the table above as seen below. In addition, here are the hypotheses to be tested.

H1: Perceived value significantly influences satisfaction
H2: Perceived value significantly influences revisit intention
H3: Restaurant atmosphere significantly influences satisfaction
H4: Restaurant atmosphere significantly influences revisit intention
H5: Satisfaction significantly influences revisit intention
Figure 1 The proposed model to be tested

Methods

Participants

The sample for this study was conducted using a convenience approach to anyone who had an experience in dining in a vintage-concept restaurant. Regarding sample size, Hair Jr., Black, Babin, Anderson, and Tatham (2006) suggested a minimum sample size of 150 for models with seven constructs or less. However, studies that used maximum likelihood estimation recommended a sample size of 200. Thus, this study used 200 samples since this number fulfil those two suggestions. Participation was voluntary.

A total of 200 samples was used for this research. Within these 200 samples, a total of 48.5% was male and 51.5% was female. Looking into their job status, 79.5% was employee, while only 4.5% was employer. The others, 9.5%, were students. Looking at the age, the biggest portion was at the age of 20-30 years old (86%), while there was only 7.5% at the age above 40. Looking into their expenditure for dining out, the biggest chunk spends USD38 – 77 (58%), followed by USD78 – 385 (31.5%).

Measures

A self-administered questionnaire comprised into two sections. The first section asked the respondents to indicate their thought and feelings towards some indicators which represent six variables including perceived value, atmospherics, satisfaction, and revisit intentions. While the second section asked about the respondents’ personal information, such as age, gender, highest education, and expenditure for eating out-of-home. The first sections indicator adapted several validated indicators taken from studies in the field of hospitality, and then they were modified in order to fit them into this study. And then they were measured using a 5-point Likert scale (1= strongly disagree to 5= strongly agree).
As this study was conducted in Indonesia, the instrument was designed in Bahasa Indonesia. The indicators for perceived value were adapted from studies undertaken by Kim et al. (2011) and Ryu et al. (2008). While for atmosphere variable, the indicators were adapted from studies conducted by Heung and Gu (2012) and Jang and Namkung (2009). For satisfaction, indicators were adapted from Kim et al. (2011), Han and Ryu (2009), and Ryu et al. (2008). Furthermore, indicators for revisit intention were adapted from Jang and Namkung (2009), Ryu et al. (2008), Han and Ryu (2009), and Ashton, Scott, Solnet, and Breakey (2010).

Analysis

This study used two data analysis methods. The first method was factor analysis, which was also used as a tool to test the validity of the questionnaire and the data collected. Factor analysis is primarily used to define the underlying structure among the variables in the analysis (Hair Jr. et al., 2006). The second method was conducting structural equation model to test the hypotheses. SEM is used to seek explanation the relationships among multiple variables (Hair Jr. et al., 2006; Holmes-Smith, 2010). Furthermore, results of the SEM analysis were consulted to the rule of thumbs mentioned by Holmes-Smith (2010), including:

- Chi-Square (p-value) acceptable level should be greater than 0.05;
- CMIN/DF, acceptable value should be less than 3.00;
- Comparative Fit Index (CFI), acceptable value should be more than 0.95;
- Root Mean-Square Error of Approximation (RMSEA), acceptable value should be less than 0.05.

Result

Exploratory factor analysis

Perceived Value

In total, the authors applied seven indicators to measure perceived value. Factor analysis retained all indicators, and formed no dimension with factor loadings ranging from 0.558 to 0.823. This has a Cronbach’s Alpha score of 0.839 which was reliable.

Table 1 Factor analysis result of perceived value

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td>PV_6</td>
<td>0.823</td>
</tr>
<tr>
<td>PV_2</td>
<td>0.805</td>
</tr>
<tr>
<td>PV_3</td>
<td>0.788</td>
</tr>
<tr>
<td>PV_7</td>
<td>0.674</td>
</tr>
<tr>
<td>PV_4</td>
<td>0.673</td>
</tr>
<tr>
<td>PV_5</td>
<td>0.629</td>
</tr>
<tr>
<td>PV_1</td>
<td>0.558</td>
</tr>
<tr>
<td>Cronbach's Alpha</td>
<td>0.839</td>
</tr>
</tbody>
</table>

62
**Restaurant Atmosphere**

After the factors were analysed, there were only seven out of ten indicators retained. The variable consisted of two dimensions: the first dimension consisted of five indicators, with factor loading ranging from 0.739 to 0.861. Whilst the Cronbach’s Alpha score of 0.864. Furthermore, the second dimension consisted of two indicators with no many different factor loadings. The higher scored indicator was 0.859 and the lower one was 0.838, while the Cronbach’s Alpha score of 0.627. Although the score showed that this dimension was not reliable, the author insisted to use this dimension for SEM analysis.

Table 2 Factor analysis result of restaurant atmosphere

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td>A_3</td>
<td>0.861</td>
</tr>
<tr>
<td>A_6</td>
<td>0.861</td>
</tr>
<tr>
<td>A_8</td>
<td>0.840</td>
</tr>
<tr>
<td>A_4</td>
<td>0.746</td>
</tr>
<tr>
<td>A_7</td>
<td>0.739</td>
</tr>
<tr>
<td><strong>Cronbach's Alpha</strong></td>
<td><strong>0.864</strong></td>
</tr>
<tr>
<td>A_1</td>
<td>0.859</td>
</tr>
<tr>
<td>A_2</td>
<td>0.838</td>
</tr>
<tr>
<td><strong>Cronbach's Alpha</strong></td>
<td><strong>0.627</strong></td>
</tr>
</tbody>
</table>

**Customer Satisfaction**

For satisfaction, a total of five indicators were employed as measurements. Factor analysis result showed that this variable had no dimension, with all indicators retained and factor loadings ranging from 0.717 to 0.815 with Cronbach’s Alpha score of 0.828. It shows that this is a reliable variable.

Table 3 Factor analysis result of customer satisfaction

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sat_2</td>
<td>0.851</td>
</tr>
<tr>
<td>Sat_1</td>
<td>0.795</td>
</tr>
<tr>
<td>Sat_3</td>
<td>0.764</td>
</tr>
<tr>
<td>Sat_4</td>
<td>0.724</td>
</tr>
<tr>
<td>Sat_5</td>
<td>0.717</td>
</tr>
<tr>
<td><strong>Cronbach's Alpha</strong></td>
<td><strong>0.828</strong></td>
</tr>
</tbody>
</table>

**Revisit Intention**

After factor analysed, the result showed that all indicators were retained. However, this variable was also found having no dimension with factor loadings
ranging from 0.720 to 0.835. The Cronbach’s Alpha score of 0.825 explained that this variable was found to be reliable to be included in SEM.

Table 4 Factor analysis result of revisit intention

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td>BI_2</td>
<td>0.835</td>
</tr>
<tr>
<td>BI_1</td>
<td>0.774</td>
</tr>
<tr>
<td>BI_5</td>
<td>0.773</td>
</tr>
<tr>
<td>BI_3</td>
<td>0.742</td>
</tr>
<tr>
<td>BI_4</td>
<td>0.720</td>
</tr>
</tbody>
</table>

Confirmatory Factor Analysis

Using structural equation model, the author tested the proposed model; as a result, a fitted model was achieved as shown in the figure below. The model had a Chi-square (p-value or probability) score of 0.128, CMIN/DF of 1.434, CFI of 0.989, and RMSEA of 0.047. Of each variable, only two indicators survived.

Table 5 Result of confirmatory factor analysis

<table>
<thead>
<tr>
<th>Criteria:</th>
<th>Probability= 0.128</th>
</tr>
</thead>
<tbody>
<tr>
<td>CMIN/DF=</td>
<td>1/434</td>
</tr>
<tr>
<td>CFI=</td>
<td>0.989</td>
</tr>
<tr>
<td>RMSEA=</td>
<td>0.047</td>
</tr>
</tbody>
</table>

Based on the theoretical framework testing, two hypotheses are rejected and another three are accepted. On the table below, the authors indicate results of the hypotheses testing.
Table 6 Summary of hypotheses testing

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Path</th>
<th>Variable 1</th>
<th>C.R.</th>
<th>Result</th>
<th>Standardised total effect</th>
<th>Interpretation</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>➔</td>
<td>Perceived Value</td>
<td>2.916</td>
<td>Accepted</td>
<td>0.325</td>
<td>Mild</td>
</tr>
<tr>
<td>H2</td>
<td>➔</td>
<td>Revisit Intention</td>
<td>1.832</td>
<td>Rejected</td>
<td>0.457</td>
<td>Moderately strong</td>
</tr>
<tr>
<td>H3</td>
<td>➔</td>
<td>Satisfaction</td>
<td>4.186</td>
<td>Rejected</td>
<td>0.329</td>
<td>Mild</td>
</tr>
<tr>
<td>H4</td>
<td>➔</td>
<td>Revisit Intention</td>
<td>1.148</td>
<td>Rejected</td>
<td>0.370</td>
<td>Mild</td>
</tr>
<tr>
<td>H5</td>
<td>➔</td>
<td>Revisit Intention</td>
<td>7.703</td>
<td>Accepted</td>
<td>0.902</td>
<td>Extremely strong</td>
</tr>
</tbody>
</table>

Discussion

It can be seen that H1 which predicted that perceived value would have a significant effect on satisfaction was accepted. The C.R. (t-value) value showed of 2.916, which meant that this path was significant. While the total effect value showed as 0.308. This finding supports prior studies conducted by Kim et al. (2011) and Raza, Siddiquei, Awan, and Bukhari (2012).

The second hypothesis predicted an impact of perceived value towards behavioural intention. The result showed a low C.R. of 1.832, which meant that this path was insignificant. Therefore, H2 was rejected. This finding contradicts with prior studies reported by Kim et al. (2011), Raza et al. (2012), Ryu et al. (2008), and Ashton et al. (2010). On the other hand, this finding supports the study undertaken by Chang and Backman (2013) that demonstrated that perceived value insignificantly influence revisit intention.

H3 was to predict the effect of restaurant atmosphere on satisfaction. This hypothesis was accepted. The C.R. value showed of 4.186, which meant that this path was significant. This finding supports the prior studies undertaken by Petzer and Mackay (2014) and Ryu and Han (2010).

The fourth hypothesis, which predicted that atmosphere had a positive effect on behavioural intention was rejected as the value for C.R., less than 2.00. This finding was insignificant with the finding from the previous studies conducted by Heung and Gu (2012), Ryu et al. (2008), and Wakefield and Blodgett (1996).

The last hypothesis, which predicted that satisfaction would have a positive effect on behavioural intention was accepted. The result showed that this was a significant with a C.R. value of 7.703. Moreover, total effect result showed that there would be very strong effects on behavioural intention when satisfaction increased. This finding supports the finding from the study carried out by Herstanti, Suhud, and Wibowo (2014), Ryu and Han (2010), Shariff (2012), Jang and Namkung (2009), Ha and Jang (2010), and Tat et al. (2011)
Conclusion and Recommendation

Conclusion

This study demonstrated the significant impact of perceived value and vintage atmosphere on customer satisfaction, and the significant impact of customer satisfaction on revisit intention. On the other hand, perceived value and vintage atmosphere are insignificant to affect revisit intention. The findings suggest that vintage atmosphere could only influence satisfaction without giving a guarantee that visitors would have an intention to revisit to the restaurants unless it was mediated by satisfaction.

There is a paucity of study discussing consumer behaviour relating to a vintage-concept restaurant. This study fills in this gap. Besides, vintage-concept restaurants owners and managers could benefit the findings to improve the atmosphere with a purpose to develop and increase the visitors’ satisfaction.

However, this study has some limitations. Firstly, participants were recruited away from the restaurants they have visited. By this event, there was a possibility for them to forget the ambient of the restaurants. Secondly, as the instrument was distributed using emails personally, it caused only those in the networks of the authors who could be contacted.

Recommendation

Vintage-concept is one of the concepts built by restaurant owners and management to attract more visitors as well as a store identity. These atmospherics might influence consumers differently. Future research should consider gender and cohorts to see the result differences. Besides, recruiting respondents in site would be more recommended to obtained real participants with genuine experiences of a vintage-concept restaurant.

References


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