

# ROLE OF OCCASION ON RESTAURANT VISITORS' EXPERIENCES

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**Abstract:** The new era of 'experience economy' has drawn the attention of marketers as well as academicians from the features of services or product to the experiences which can give a greater sense of contentment to the customer while or after using it. But extant literature shows that there is not much empirical research done in this area, specifically, in India. This study aims at finding if there exist any difference in 5 experiences of experiential marketing with regard to different occasions of using the restaurant service. For this purpose, 124 restaurant visitors were approached through convenience sampling. They were asked to fill the questionnaires online on Google forms. ANOVA was applied for the analysis of data using SPSS version 20. It was found that the experience which customers get while sitting inside the restaurants does not differ with the different reasons of their visits. It implies that for whatever reason customer go to the restaurant, experience which could indulge them is all they need. Marketers can use the findings in enhancing the customer experience through focusing on other behavioural factors.

**Keywords:** experiential marketing, experiences, behavioural factors

## I. INTRODUCTION

With the advent of experience economy, marketers have realised that staying in the market profitably for long term requires putting meaningful impression on customers' mind through their products and services. Customer experience incorporates overall aspect of company's offering like, customer care, advertisement, ease of use, reliability and so on. Clark and Wood (1998) also favoured the idea focusing on 'total package of experience' encountered in restaurant environment to get favourable behaviour from consumers. To create such kind of experience, each and every part of a product or service plays an important role. Travel and tourism industry has specially focused on this strategy to attract and retain customer all over the world. Restaurants are vital part of this industry and this sector too has realised and learned how to create such kind of experiences. For instance, it has been discovered that atmosphere of the restaurant can sometimes become more important than the food of the restaurant. Ambience of the restaurant is not directly related to the consumption of foods but have significant impact on consumers' expectations and subsequent responsiveness of the dining out (Finkelstein, 1989). These experiences can vary with different demographic, geographic, psychographic and behavioural characteristics of consumers. Behavioural variables gives the insight of what benefit customer gets from using that service or how much service is being used by a customer in a particular time period. Benefit segmentation has much wider range of application than traditional method of segmentation since it provides fuller picture of customers. It provides from motivational profile to behavioural or socio-economic profile of customers which can be useful in making positioning or promotional strategy. Benefit segmentation in travel and tourism industry can be applied for: destination marketing, targeting specific markets, attractions, events and facilities and examining traveller decision making process (Frochot and Morrison, 2001). According to Haley (1968), benefit segmentation can predict consumer behaviour in a better way than personality, lifestyle, demographic and geographic measures. Benefit segmentation is more popular in travel and tourism industry because it is believed that benefits are related to motivating factors of the customers.

## II. LITERATURE REVIEW

### 2.1 Experiential Marketing and Restaurants

According to Pine and Gilmore (1998), the upcoming competitive battleground for companies would be in staging experiences. They emphasized that the question is how and when will businesses enter experience economy, and not if they will enter or not. They described the market evolution from extracting commodities to making goods to delivering services to finally staging experiences. They also suggested ways to design memorable experiences: theme the experiences, harmonize impressions with positive cues, eliminate negative cues, mix in memorabilia, engage all five senses. Later Schmitt (1999) wrote extensively on how to use all five senses to create experience in such a way that customer can get indulged into. He named it as experiential marketing which can be exercised by using five strategic experiential modules (SEM): sense, feel, think, act and relate. Sense marketing is used to create sensory experience through sight, sound, taste, touch and smell. Feel marketing is used to create affective experience through customers' inner feelings and emotions. Think marketing is used to create cognitive experience through appealing customers' intellect. Act marketing is used appeal physical experiences, behaviour and lifestyle of customers. Relate marketing is used to create social-identity experience through relating customers to their reference or culture group.

Nigam (2012) studied the relationship between experiential marketing and experiential value and purchase intention. This study was conducted in quick service restaurant chains of India and the relationship between all the variables was found significant. Whereas, relationship between experiential marketing and consumer value in American casual dining chains was found significant for only sense, feel and think experiences (Chou, 2009). In a similar study, done on Lithuanian restaurants, sense experience was

found positively impacting each variable of customer perceived value (Kanopaite, 2015). A study done on coffee shops of Taiwan showed positive relationship between experiential marketing and purchase intention and moderating effect of gender on their relationship was also found significant (Jinlong *et al.*, 2013). Ryu, Han and Jang (2010) studied the relationship between hedonic and utilitarian values, satisfaction and behavioural intention of fast-casual restaurants. They found that both consumers' perception of hedonic and utilitarian values both directly and indirectly influence customer satisfaction and behavioural intention.

### III. BENEFIT SEGMENTATION

Jack Kivela (1997) explored the importance of occasion for determining the choice variables of restaurants. Results showed that occasion is a stronger influencing factor on consumers' perception of the determinant choice variables. Occasion was found one of the key factors in determining the evoked set of consumer. Whereas, overall appeal of the restaurant was influencing the final rejection or acceptance of particular restaurant in that evoked set. Similarly, Auty (1992) also found occasion as paramount importance since it determines the initial ranking of the choice variables. Namkung and Jang (2008) explored the difference between highly satisfied and non-highly satisfied with regard to food, atmospherics and services during restaurant consumption experiences. They found that differences do exist between these two groups in terms of crucial attributes of the three quality facets. Results also indicated that healthy options, freshness and temperature were not as important as taste and visual appearance of food. Pedraja and Yague (2001) studied the information search out activities carried out by customers when choosing a restaurant. It was found that following information sources were usually used by the customers: inter-personal sources, advertisement and information provided at the establishment. Ryu, Lee and Gon Kim (2012) also found the significant impact of influence of quality of the physical environment, food, and services on restaurant image, customer perceived value, customer satisfaction, and behavioural intentions. Frochot and Morrison (2001) has analysed how benefit segmentation has performed in making market segmentation strategy more lucrative.

### IV. RESEARCH GAP

Benefit segmentation have been studied in the area of travel and tourism but still studies in the area of restaurants is not much. Relationship of experiential marketing with other variables like purchase intentions, customer satisfaction and value have been studied by few researchers (Nigam, 2012; Pedraja and Yague, 2001) but the role any of the behavioural factor has not been tested yet. Most of the studies done on 'occasion' or reason to visit restaurant dealt with finding out the importance of occasion while selecting the restaurant (Jack Kivela, 1997; Auty, 1992). No attempt has been made yet to explore the role of occasion of visit to restaurant on the customers' experience while or after getting the service.

### V. OBJECTIVES OF THE STUDY

The study aims at finding the role of 'Occasion' of visiting restaurant on the 5 types of experiences which are provided by the marketers to the customers.

#### Hypotheses

- H1: Perception of Sense marketing does not significantly differ by occasion
- H2: Perception of Feel marketing does not significantly differ by occasion
- H3: Perception of Think marketing does not significantly differ by occasion
- H4: Perception of Act marketing does not significantly differ by occasion
- H5: Perception of Relate marketing does not significantly differ by occasion

### VI. RESEARCH METHODOLOGY

Mixed method approach was used for this study. First part of the study is based on qualitative research which was done by literature review. While second part contains quantitative research which was based on survey questionnaires. Items for experiential marketing measurement scale used for this study was adopted from (Kanopaite, 2015) and that of occasion from (Auty, 1992). 5 experiences of experiential marketing were measured through 21 items using 5-point Likert scale. Whereas, occasion was studied on nominal scale as: for celebration, for social occasion, for convenience meal or for business meal. Convenience sampling was used for the study. Self-administered questionnaires were filled by the people who often visit restaurants. Set of 124 questionnaires was collected online through Google forms. Software package SPSS version 20 was used for analysing the data.

### VII. RESEARCH RESULTS

#### 7.1 Demographic Profile

Profile of respondents who participated in the survey was as follows: male (56.5%), female (43.5 %). Most of them had Post Graduate degree (62.9%), followed by PhD or other higher level courses (22.6%), Graduate (13.7%) and one with High school degree. A large portion of respondents were of age group 21-30 years (87.1%) and therefore most of them had income below 30,000 or zero income (58.9%) followed by 31,000-50,000 (19.4%) and 51,000-70,000 income group (19.4%).

## 7.2 Reliability Test

Cronbach's alpha value above 0.7 is shows that the scale is reliable (Andy field, 2009). Composite reliability of 'experiential marketing' was found above the minimum acceptable value (0.842).

## 7.3 Validity Test

Principal Component Analysis (PCA) was done on 21 items of the scale using Varimax rotation. The Kaiser-Meyer-Olkin measure for experiential marketing was found acceptable (KMO=0.872). Communalities of all the items were also found above 0.4.

Hypotheses were tested using ANOVA as shown in Table1. Sig. value of all experiences were above .05, which indicated that none of the experiences of experiential marketing were affected by the occasion of the visit. Thus all the hypotheses were accepted.

Table1: Results of ANOVA

Dependent Variable	Sum of Squares	F	Sig.
Sense	2.334	1.673	.176
Feel	1.092	.729	.537
Think	.587	.267	.849
Act	.641	.219	.883
Relate	1.361	.920	.434

## VIII. DISCUSSION

Results of the study showed that none of the experiences of experiential marketing gets effected by the variable 'occasion'. Previous studies showed that occasion is a key determinant of restaurant choice set (Auty, 1992; Jack Kivela, 1997). This could be understood as segmenting customers on the basis of reason of their visit holds good until customer has not entered the servicescape. Clark and Wood (1998) also argued in their study that additional elements serve as 'kick-in' only when central service i.e. food is considered acceptable. They can be targeted according to their different needs, but once they have entered the restaurant, no difference exists between different groups. Every customer, for whatever reason has chosen the service, wants experience which can give higher level of contentment than any other service provider can. This goes with the study of (Ryu, Han and Jang, 2010) where they found dining experience as more of a goal oriented instrumental behaviour than any intrinsically enjoyable activity. Besides this, benefit segmentation is instable over time noting that if one segment could explain the consumption of a product/service at one time, there is no guarantee that it would still be holding good at another time. According to many researchers benefit segmentation has lack of its applicability across different seasons since customers seek different benefit in different season (Frochot and Morrison, 2001).

## IX. SUGGESTIONS

First segmenting and then targeting the customers according to their need is an age old practice used by the marketers. Reason to use a particular service or product determines the expectation of customer from that particular product or service. But a bewildering array of choices has led customer shift their focus from feature and benefits of a product or service to the experience they get from it. Based on the study, restaurateurs can be suggested to strive hard for enhancing the kind of experiences they provide to their customers through their taste of food, aroma of food, decoration, type of furniture used, staff etc. irrespective of the reason of their visit. Data used in the study is limited in number, demographic and geographic characteristics, thus results cannot be generalized. Effect of occasion on relationship of experiential marketing with various crucial variables like customer satisfaction, customer value and purchase intention can be analysed to better understand the role benefit segmentation.

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