

# **CHAPTER I**

## **INTRODUCTION**

### **I.1 Background of the study**

Currently, the communication technology has been growing very fast. It can be said that people always need telecommunication facilities such as mobile phone which has become as one of the basic needs (translated from *PULSA* tabloid, Mei 2006 edition: page 35). Since 1990, mobile phone business has been developing fast in Indonesia. It only needed several years for people to know and accept mobile phones as one of their telecommunication facilities.

Mr. Hasan Tanadi as the owner of Royall Cell agrees that such phenomenon existed. According to him, since 1993, people have been choosing mobile phones as one of their communication facilities. They have some common reasons for choosing a mobile phone: it does not need a cable, it is also portable and rechargeable. He adds that in the last two years, the number of mobile phone traders in Bandung has been growing rapidly.

In 2004, a group of investors approached Istana Group to respond to the phenomenon by building Bandung Electronic Center (BEC). This building has more than 500 stores, 300 of which engage in mobile phone

business while others engage in information technology business such as computers, laptops, digital camera, their accessories, and so on.

Based on the observation, the stores engaged in mobile phone business offer similar selling strategy, similar mobile phones, prices, and promotion. The place, especially the store display, is one thing which differentiates one store from another. I will, therefore, analyze some problems in store display or store layout and the atmosphere condition after store redisplay.

## **I.2 Identification of the Case**

XXX Cell is one of the stores in BEC selling cellular phones, their applications, and photo printing service from cellular phone or digital camera. XXX Cell is a small store which started its business in 2004. For more than three years, XXX Cell has grown and survived from its competitors, but XXX Cell still cannot reach its monthly sales target.

According to Mrs. Dewi, the owner and the manager of XXX Cell, she has been trying to reach the sales volume target by giving bonuses and discounts. I have interviewed customers who shopped at XXX Cell. They said that XXX Cell should clean up the facilities at the store such as the display window, the computer sets, and the showcase, and other facilities. They added that by doing so, it create a better atmosphere XXX Cell that the customers might enjoy.

I find that some problems of the physical characteristics at XXX Cell, for example the placement of the banners and posters makes the

customers not able to take a look at the inside of the store. The above reasons make XXX Cell fail to achieve the sales volume target. That is why I am interested in doing a deeper research on the relationship between store display and sales volume target. Consequently, the identifications of this case are:

1. How is the overall store atmosphere performance of XXX based on the respondents' opinion?
2. Based on the customers' preferences, which elements of store atmosphere is the most important for XXX Cell?
3. What is the general idea of the proper message or promotional items which should be displayed based on the visitors' profile?

### **I.3 Objectives of the Study**

According to Mrs. Dewi, the owner of XXX Cell, it is difficult for XXX Cell to reach the monthly sales volume target. She is also unsatisfied with the store display and atmosphere. She assumed that the store display might be the cause of XXX Cell's failure to reach the sales volume target.

In this thesis, I will try to find out the problem at XXX Cell. If the store display is not the problem, the owner will not necessarily spend more money for redisplaying in order to create and maintain the store's image and atmosphere.

### **I.4. Limitation of the Study**

In this research, I will only focus on:

1. The store atmosphere in the preliminary stage or general.
2. Determining the major elements of store atmosphere based on the theories and according to customers' preference.
3. Further research is needed in order to gather more detailed result, for example the percentages of atmosphere contribution to sales, promotional items should be displayed based on this case.

### **I.5. Layout of the Paper**

This thesis starts with the Abstract, a concise summary of the entire paper in Indonesia. This Abstract is followed by the Preface, in which acknowledgements are given to those contributing and involved in the work. After that is the Table of Contents and Appendices, followed by its four chapters:

Chapter I : Introduction to the study

Chapter II : Theoretical review of basic theories or concepts related to the case study

Chapter III : Findings and discussion of the study, including ways of collecting data, information or data gathered and discussion of important findings.

Chapter IV : Conclusion, in which major statements are made along with some suggestions or implication for further study is mentioned.