TESTING CROWD PSYCHOLOGY INFLUENCES

ON

GIWA RESTAURANT

Duong-Helko, Quan

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Laurea University of Applied Sciences
Leppävaara

Testing Crowd Psychology influences on Giwa restaurant
The thesis testing Crowd Psychology influences on Giwa restaurant demonstrates the process of creating a marketing strategy for the case company Giwa. The main idea of the thesis is to establish a marketing strategy based on Crowd Psychology theory from Gustave Le Bon and put the theory into reality test in the case company. The thesis uses various methods in both qualitative and quantitative categories, which are observation and interview. With the support from both literature review and research process, the research results in a marketing strategy. The result chapter will demonstrate the finding of the research process, which lead to the marketing strategy in the chapter also named marketing strategy.
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Understanding consumer behavior and creating marketing strategy are fundamental factors for every business, which need putting into action at the very first step to have a broader view about their product, price, place, people and promotion; in order to connect the businesses and their own customers while strategically gaining profit as well as business reputation. The right marketing strategies obviously understand the needs of both customers and business, so they could define the middle ground for both parties’ benefit. Customers take a huge part in any marketing strategy; therefore, focusing on the relationship between customers and business is crucial, in which are scattered in three segments of marketing strategy, relationship marketing, word of mouth and internet marketing.

Consumer behavior and psychology have a tight relationship with each other. For some people, they even compare them to egg-chicken relationship, which means it difficult to define whether psychology or marketing appear first. It is easy to understand why psychology has got many applications into marketing. With psychology, we are able to know what customers think, what consumers want, in order to illustrate marketer’s ideas. Consumer psychology is about the knowledge of why and how a single person and whole group of people involve in consumer activities, and also how they got affected (Jansson-Boyd, Consumer Psychology, chap 1).

In consumer psychology, there is one specific field that the author wants to have a closer look, it is the relationship between an individual and a crowd. The crowd and individuals are unseparated phenomenon. They create each other, they influence each other, they also define each other meaning. The crowd affects individuals psychologically. In some cases, the crowd even makes individuals change their thought, or have the same thought with the crowd. the study of how individual is impacted by the crowd named Crowd Psychology.

1.1 Study background

Crowd psychology, also known as many other names, such as mob psychology, herd psychology, is a branch of social psychology. The theory of crowd psychology was created and researched from the late 19th century - early 20th century by many famous social psychologists, for example Gustave Le Bon, Sigmund Freud, Boris Sidis. The field concerns about the differences of an individual within and without the crowd. Additionally, it shows how the crowd affects and changes the characteristic of an individual.

In the modern day and business field, many social experiments were conducted, based on the theories created from early 20th century. It is different from previous researchers; modern psychologists are likely to focus on the positive side of crowd psychology.
1.2 Case company: Giwa restaurant

Regarding to the report, a small research was conducted in a restaurant named Giwa. The restaurant is located in Bulevardi, center Helsinki. The restaurant was established six years ago, under Paria Oy. The restaurant was founded by a Korean couple. At the beginning, it was a sushi restaurant, however, in order to focus into improving restaurant uniqueness and visibility, the owner decided to focus only on Korean cuisine, which made Giwa to become one of the only two restaurants in Helsinki majoring in Korean cuisine. Giwa was renovated in November 2016. This action created a big change for Giwa. The restaurant was redesigned into more Scandanavian style with 26 seats, however, all the menu and price has been kept the same. All these factors create Giwa’s unique selling propositions, which are location, service, atmosphere, price and cuisine.

The restaurant’s current targeted customers are office workers, Korean-culture-related people, and tourists or visitors.

The first type customer is nearby office workers. As the restaurant is located in Helsinki centre, there are many offices and companies nearby. They creates a large amount of lunch customers for Giwa as well as other restaurants in Bulevardi. Officers don’t have much time to have lunch, so they cannot travel long distance, wait long time for lunch. However, they still have every requirement of a restaurant customer, which are good food, food service and decent price.

The second type of customers is people who’ve got influenced by Korean culture. They are youngsters who like Korean music, drama; people who travelled to Korea, or about to go to Korea; Korean people or related to Korean people.

The third type is tourists, visitors. With the location advantage, the restaurant receives many tourists and visitors. They can be Finns, or foreigners with dissimilar nationalities. However, they are seasonal.

1.3 Research question and objective

The paper aims to create a communication strategy, which is a part of marketing strategy for Giwa restaurant. We deal with marketing problems every day, which means we deal with people problems every day (Phillips, et.al, 2013). In another word, in order to have a suitable marketing strategy for the business, the researcher approaches the topic from the customer point of view, which is the psychological reasons behind customers actions and behaviors. More specifically, the foundation of the whole research is the understanding of how crowd
psychology influences customers decision making process, especially in Giwa restaurant. It tries to define which characteristics of crowd psychology made that influences, and the behaviors of customers when the impacts are made.

The field has been studied under various forms of both psychology and marketing field, however; this will be a specific proof in a smaller business example.

1.4 Thesis structure

After this introduction, the thesis will be continued with the basic idea of Crowd Psychology, in order to understand what Crowd Psychology is. Additionally, the Crowd Psychology characteristics will be defined; and theoretically, how individuals are influenced under Crowd Psychology. The chapter will also create a bigger picture about how the field and topic have been researched.

The next part presents which methods will be used to research and also analyze in regard of the topic. This chapter will be the foundation for the rest of the research; and also, the major implementation of the result of the whole research.

The following chapter would should the result of the research process, what is the outcome. This chapter will distribute the main idea for the marketing strategy, which is the primary purpose of the paper.

2 Crowd Psychology

2.1 Crowd Psychology background

Psychology of Crowds by Gustave Le Bon was first published in 1895. The book discusses about how individuals lose their way of thinking, loses their personal opinion when they are in a crowd (a group of people supporting the same idea). The author believes that the crowd can destroy everything as it makes individuals unconsciously think the same way as it wants to be.

Gustave Le Bon was one of the pioneers in the field of Crowd Psychology. In the beginning of the book, Gustave Le Bon explained about psychological crowd as the sentiments and ideas of all the people in the gathering take one and the same direction, and their conscious personality vanishes. Therefore, the author distinguished a regular crowd with a psychology crowd. As a simple example, many people coincidently appear in a square is just a regular crowd, however, if many people gather in a square to congratulate a winning president, it is a psychological crowd.
A psychological crowd can be formed by thousands of methods. The relationship between people in the crowd can create a psychological crowd. They can have the same nationality, come from the same family or study from the same university. The psychology crowd also forms with the same belief. People who share the same belief tend to have a connection with each other, for example, they might come from different places, but they have the same religion. Additionally, people who have the same interest also can create a psychology of crowd. “Suddenly, 50,000 individuals became a single unit, almost a single mind, focused intently on what was happening on the field - that particular touchdown grab or dive into the end zone. Somehow, virtually simultaneously, each of those 50,000 people turned into what the other 49,999 were looking at.” (Alison Gopnik, 2014). The short example describes clearly the situation how a psychological crowd was formed. The people in the stadium, in a quick moment, suddenly shared the same interest, had the same belief and they all paid attention to the touchdown. It is not difficult to imagine the reaction of football fans in a stadium. Fans from the succeeded team would be all happy, hugging each other while the other team’s fan would be sad or even furious. In just that second, these two groups did not care about other interests or relationships they had in common, they turned to hate each other. That’s the characteristic of a psychology crowd, thousands of isolated individuals may acquire at certain moments, and under the influence of certain violent emotions.

Gustave also explained the causes of psychological crowd’s characteristic.

The first cause is people are less likely to check themselves because a crowd is anonymous and, as a consequence, irresponsible. When one is alone, their self-awareness is always under control. They always observe situation around them, in order to restraint themselves into. Therefore, they keep on their judgments of everything, which they and others do, in other words, they have full responsibility of their action. However, when one is in a big crowd with the same behavior and action, people mostly follow what crowds do, whether it is right or wrong. They tend to forget to analyze the situation and criticize movements of people around them. For example, in the teenager movie “Mean Girls”, the Queen Bee Regina’s T-shirt was cut during the gym class, which was a revenge action, every other student thought it was a fashion trend a follow it. This was a funny moment; however, it does make people think of how just one ridiculous action could spread widely?

The second cause is “In the crowd, every sentiment and act are contagious, and contagious to such a degree that individuals readily sacrifice their personal interest to the collective interest”. Gustave also stated that this is against human nature, which is the selfishness. However, somehow the psychological crowd can create a brand-new nature.
The third cause is the most important. The psychological crowd has hypnotizing ability. “Individuals immersed for some length of time in a crowd in action soon find themselves, either as a consequence of the magnetic influence given out by the crowd, or from some other cause if which we are ignorant, in a special state, which resembles being hypnotized (s.1, para.20). According to Cambridge dictionary, hypnosis is a mental state like sleep, in which a person’s thoughts can be easily influenced by someone else. Nevertheless, psychological crowd shows hypnotizing abilities by creating suggestion, images which members of the crowd want to see. For example, the creation of legends, such as Hercules, Buddha or Marhomet, they are all images and suggestion for moral standards, strength standards of people. “Our interest is to know what our great predecessors were as they are presented by popular legend”. And nowadays, the suggestion and image are still being created by people, for example Trump’s inauguration crowd was stated by Sean Spicer as the largest audience ever to witness an inauguration, period, both in person and around the globe (The guardian, 2017).

The psychological crowd’s opinions and beliefs can be influenced by many factors. The indirect factors are nationality, traditions, time, political and social institutions, institutions and education. These factors prepare the ground for new ideas to germinate. The direct factors are images, words, formulate, experience and reason. These factors cause the idea to take shape and set it loose with all its consequences.

Another research is from Boris Sidis (1898) the psychology of suggestion. According to Boris Sidis in A study of the Mob, the greater the crowd is, the greater is this limitation, the lower sinks the individual self. Boris used the example of Witch hunt, Jews hunt to demonstrate his idea. With a psychological crowd, just one suggestion could lead the hold mob into actions, even if they are barbarian actions.

2.2 Applying Crowd Psychology in Consumer behavior

How psychological crowd works and affects people in general and consumers’ choices, behaviors in particular, is still in the beginning. However, researchers, psychologists have been conducting, investigating about this matter for decades. Sometimes, it is not in particular of economic point of view, but the knowledge is there to be applied. This part of the report will create a closer look in three characteristics of the psychological crowd mentioned above.
2.2.1 The first characteristic, Conformity

According to Philip Graves, the psychological crowd creates conformity, which lower individual’s self-awareness. Most of the time, people even doubt or change their own opinion to conform to the group’s idea (Graves, 2010). There have been many experiments about people conformity conducted in order to observe the reaction.

In 1951, Solomon Asch conducted a famous conformity experiment. The experiment is about matching length of a reference line with other three lines. The experiment is conducted by group and in each group, there was only one real participant, who did not know which the real answer was. Solomon Asch had 12 critical trials, 32% of participant in the critical trials, 75% of participants conformed into incorrect answer at least once. This is an example of people’s conformity. Sometimes, people would just follow the opinion of the larger crowd, not even concerning about the truth. Therefore, the more social proof a business creates, the more conformity it gains.

Conformity is a kind of social effect, which makes the participant change their belief or behavior in order to fit into a group. Conformity is created under group pressure, which could be real happening or participant imagining. Conformity can involve agreeing or just acting to agree with the group majority. The conformity is more about the changes in behavior than the changes in attitudes.

We have many different reasons to conform. In some instances, we just looking for clues in a group to see how we are supposed to behave, rather than for some helps. In some cases, we expect to copy the group behavior in order to not be foolish. Most of these situations are when we are doubting ourselves, or we are uncertain about our behaviors, reactions.

There are various causes for conformity. In 1955, Deutsch and Gerard pointed out main reasons for conformity: informational influence and normative influence. Informational influence is when people adjust their actions to be accurate. People often look for someone that they believe of being more knowledgeable than they are, in order to have a model. With the same effect, they would consider these models to have correct action, and without doubt, they change their behaviors toward these models. In another word, informational influence is more about a person doesn’t have enough knowledge and counts on a group for direction. Normative influence is different from that. Normative influence is about people wants to fit into a group, in order to evade punishment or get rewarded. They don’t want to be different from other people in the group. This type of influence, participants are not necessary to be ill knowledgeable, they can even have their own wills, their own ideas, however, some how they refuse to engage with their ideas. Instead, they follow the group ideas.
According to Kelman (1958), there are many types of conformity with different influenced and influencing reasons.

The first type is compliance, which is also one of conformity type. Compliance, so called group acceptance, was demonstrated clearly from Asch’s line experiment. The participant would accept and follow actions of the crowd; however, they might not agree with this action. In this type, participants are afraid of being charged as wrong. They could have their own opinions; however, they still follow the group opinion. They are unsure about their own decisions, therefore; they decided that the group make better decision.

The second type is internalization. In this case, they also accept the group idea in order to fit in. However, here they actually agreed with group. They change their minds completely because of the group. Participants believe in the group ideas without concerning they are correct or not.

The third type is identification. This type is more complicated as they conform to what they are expected the identity should be. In more detail, they have their expectation about how society would think about a position, such as teacher, doctor, soldier, then they change themselves in order to fit in this expectation. Their expectation could come from dissimilar places. It could be caused by their education, their childhood or their current living society.

There have been many researches about conformity in customer behavior. For example, a research about homebuyer’s conformity behavior based on herd effect was showing that public behavior, personal information credibility and the credibility of public information directly affect homebuyer’s conformity behavior by XiaoZhi and Pulong in 2016. Using the formula below, with P(A) is probability of A, P(B) is probability of B, N is individuals choosing “to buy” and M is individuals choosing “not to buy”, the author came to conclusion of the effect of public behavior on individual decision, the effect of personal information credibility on individual decision and the effect of the credibility of public information on individual decision.

With the effect of public behavior on individual decision, when the public behavior is clear, it will promote personal decision to obey public behavior. While when the public behavior is scattered, the individual decisions will be more inclined to the judgment by themselves based on the personal information and less likely to herd.

With the effect of personal information credibility on individual decision, when personal information reliability is not high, the homebuyers will have to pay more attention to public behavior.
Regrading to the effect of the credibility of public information on individual decision, the public behavior has a strong reference value and guiding role to the individual, when the public have clear decisions and the reliability of public information is high, individuals will be more prone to the herd behavior.

With this research, it is clearly seen that the crowd’s opinion has a big effect on customers’ decision-making process. Not every time would customers follow the majority, however, conformity always hold a steady subconscious part in customer mind, and it is something marketers should focus on.

2.2.2 The second characteristic, contagious

The contagiousness appears in many different study fields, such as in psychology, it is social contagion; in economics, it is financial contagion; in business, it is viral marketing (Mitchell, 2014). However, they are all defining the state of spreading thoughts and actions. Many experiments were conducted to see the influences of the crowd to people behavior. In Wall Street Journal, Alison Gopnik has an article called Humans naturally follow crowd behavior. In the article, Alison Gopnik described several experiments conducted by the Proceedings of the National Academy of Sciences, A.C. Gallup and Princeton University. For example, in one experiment, few ringers joined the crowd and stared at the same spot in the sky for 60 seconds. As the number of ringers raised up, more people stopped to stare at the same spot as they did. (Gopnik, 2014)

Contagiousness of crowd psychology does not only create physical action, but also emotional action. In another experiment, participants a videotape of a person who is describing a positive or negative memory, and at the same time, this person is showing the emotion by his own reaction. The participants then experienced the target’s emotion and they felt the same emotions as they are their own (Wang, 2006)

Nowadays, with the spread of media, news and information reach audience more easily. It makes contagiousness more effective than ever. When self-awareness is more about changing people mind, ideas, contagiousness is about spreading new ideas. The first impression is the one that lasts, therefore, to newbies, the first thing they hear about a product can influence their thought the most. Nevertheless, as a social proof, we are always searching around for some guidance, in order to be sure that we understand whether issues are right or wrong (Tate, 2015)
For example, on Facebook, a post can be share unlimited times. It also means an idea has been imprinted countless times. Understood the benefits of contagion, many researchers are looking for method to apply it into marketing and social media. Koshy suggested ten ways to create contagious content, such as leverage social validation, use good news and load it with emotional appeal.

2.2.3 The third characteristic, suggestion

Suggestions can be a powerful thing. Suggestions can be demonstrated by words, images, events or just a group of people. Which makes suggestions strong is the ability of creating conformity. Many people making the same suggestions will improve the credibility of events, products or whole business. It is normal to choose a club with a long waiting line, instead of others, even though it could be hours of waiting to get in.

A question was asked “Why do people follow the crowd?”. In the similar name article of Abc news, Dr Gregory Berns of Atlanta’s Emory University, using his own experiments called Failing a Test and Social Graces, was trying to explain. By conducting brain examination with fMRI, Berns stated "What that suggests is that, what people tell you -- if enough people are telling you -- can actually get mixed in with what your own eyes are telling you.". Additionally, there is another thing call the fear of standing alone that makes people to follow the crowd. (Berns, 2006)

Answering the same question, three Harvard University psychological scientists, Jamil Zaki, Jessica Schirmer, and Jason Mitchell, commented “We see conformity as a weakness; we say it supports bad behavior,” like smoking or overeating. “But if you think conformity is a powerful social mechanism through which we change our ideas about the world, it could be used positively”. (Zaki et al, 2011)

Another case study, which was stated in Consumer.ology of Philip Graves, 2010, is about Red Bull. The idea of a drink, which at first was for Thailand worker class, to “strengthen and lengthen mind and body” was not convincing enough for consumers. However, Red Bull was outspreaded when a group of athletes started to use the product. It is noticeable that this group is needed to revive their strength fast and repeatedly, therefore, others were not judgmental anymore. This example demonstrates a stable fact about the nature of group influence. Creating suggestion also means creating credibility. Suggestion by a wide group, such as worker class, is not as credible as a specific group like athletes, which is more popular and more stereotyped.
In Customer Journey by SAP Hybris, they stated that it contains seven stages, which are awareness, discovery, interest, consideration, action, use and advocacy. It cannot help noticing that creating suggestions appears in every stage in various forms. For example, in the first stage, awareness, it is necessary to do advertising, joining social media topics, appearing in searching tools. In the third stage, interest, it is important to use third party opinions. All the actions are creating suggestions, conformity for customers, in order to raise business visibility.

3 Marketing
Marketing can be many things with many definitions. According to Hunderkar, Appannaiah, Reddy, Principles of Marketing 2009, marketing is a consumer-oriented process, which is to satisfy customers’ needs and desires. The process is to search for the customer buying willingness. Marketing is also an elemental guidance for businesses. It draws out a direction for business to follow, in order to reach customers, along with economic development. Marketing is a goal-oriented process, which is obviously method to obtain business goals and objectives. Marketing is a process of exchange. Business itself is a process of exchange of goods, services and money between buyers and sellers. However, marketing is the exchange of information between buyers and sellers. Buyers get information about companies, products, offers; and sellers get information about customers, buying willingness, needs and demands.

The importance of marketing for business is also various. Marketing directs business to its goals and objectives which were set up. It also supports economy and society in the sense of creating a better trading environment, contributing to social responsibilities. Marketing helps business to adapt to new conditions, reach better efficiency, productivity and profitability.
3.1 Core marketing concept

Marketing core concepts follow six factors, which are Needs, wants and demand; Exchange; Transaction; Marketing offers; Values and satisfaction; and Relationship (Hundekar et al. 2009, 7-12). These six elements are the guidance and reference for marketing works, such as marketing strategy, marketing plan.

The first task of marketing is to understand what customers want and need. Needs are something that always there with human nature, it can be considered as fundamental requirements, as the factors for survival. It does not only just refer to biologically needs of human, but also the needs for organizations, business to exist and work. As a matter of fact, each person, each organization has different level of needs in order to be satisfied. Following needs is wants. Wants can be considered as the results of needs. Wants are produced to fulfill needs. A need can be satisfied by many wants, or various types of wants; therefore, it is a big potential to understand both needs and wants of customers. Last but not least is demand. Demand depends on many different aspects, not just wants and needs, such as price, trends. Demand is understood as desire of customers over one product, which requires to be forecasted.
Exchange is an act of obtaining a desired product or service from manufacturers to the final customers. In the original form, exchange means the action of sellers give buyers products to get money back; however, the extended meaning is more than just money, it can be information or other type of equivalent products. Exchange process is the foundation of marketing when each party has something value to others and free to accept or reject.

Transaction is the process after exchanging, including trade values between both parties.

Marketing offering is the benefits given to customers, in order to fulfill their needs. The offer is made by marketing firm. It is not only products, but also services, information and experiences. This process is strictly followed the research of customers’ needs, wants and demand. Nowadays, the competition between firms are very tight, therefore, marketing firm needs to understand customers clearly to live up to their expectations.

Value and satisfaction are the outcome of offering process. Customers value is what they gain from possessing and experiencing the products. Value also can be calculated as the proportion of paying and gaining of customers. If that ratio is high, it creates satisfaction. Both value and satisfaction make loyal customers.

At the beginning of a business, the more new customers they attract, the better. However, as time go on, they need to create a long-term relationship with their customers, in order to have loyal customers. The loyal customers are also less expensive to serve than the new ones. The relationship in marketing is also to build stronger network, not only with customers but also other key stakeholders.

Relationship management is a crucial part in marketing. This can be considered as a persuasive chain. To lead customers to their decision of buying the products, each detail, function and offer related to the products must convince customers that they are suitable for customers’ needs and desires. Relationship management is not only including customers, it also involves staff, employees of the company, and other companies such as suppliers, distributors. Each and every of them are representatives for the products, which makes them belong to the marketing chain. One of the relationship marketing is “a strategy that aims at developing and managing long-term relations with customers, suppliers and distributors in order to earn and retain the business of the enterprise”.
3.2 Marketing strategy

According to Proctor, Strategic Marketing: An Introduction, 2000, marketing strategy is a method to achieve corporate desired destination, mostly referred in terms of profit. Marketing strategy is dissimilar with a marketing plan. Marketing plan can refer to be applied in a short period of time and it can be changed more frequency than marketing strategy. In another word, marketing strategy can be understood as a long-term plan. It gathers and shows a business competitive advantage as well as the ultimate goal (Proctor 2000, 33).

The strategy is more considered about its effectiveness than its efficiency; additionally, the strategy is referred larger than just a method, it is a whole environment analyzing process and designing what is the most suitable for the business, considering both inside and outside factors, such as resources, objectives and environment.

Proctor stated there are several approaches can be applied, such as rational approach, flexible approach, creative approach, incremental approach and behavioral approach. Each approach has its own characteristic; for example, the rational approach is where 4P or 5P are mentioned. They are pricing, product, promotion, distribution (place) and people. With these definitions, marketers normally make use of some analysis tools, for example SWOT analysis or portfolio models. With this type of approach, both the process and result are rational, technical. They are mostly demographic segmentation, which are limited to race, ethnicity, gender, age, income, religious, marital status, education and occupation. On the other hand, the behavioral approach is more about psychographic segmentation, which are not limited by these factors in demographic segmentation. It is more about the personalities, power influences or politic influences. In another word, it is more about what customers think, how customers get affected psychologically. A marketing strategy can combine several different approaches.

Whatever methods are used, the most important thing to state is that marketing is to meet customers’ needs and desires, while the organization still can achieve their goals and objectives. Additionally, this is a win-win relationship, as customers are satisfied, business will reach their personal purposes. However, the competition between businesses makes the whole process more difficult. This is where marketing strategy is applied. It will help to create a position for products and services in customers’ mind. Marketing uses many dissimilar means to deliver the message. It could be images, contents, advertisement or supports from influencers.
3.3 Marketing mix

In marketing strategy, one of the most mentioned term is marketing mix. According to Kotler, marketing mix is defined as the “set of marketing tools that the firm uses to pursue its marketing objectives in the target”. The term is related to four major decisions in business, product, price, promotion and place, which is also called 4Ps (Needham, 1996). However, for service business in particular, in 1981, another model was introduced by Booms and Bitner, called 7Ps. In addition to 4Ps, Physical evidence, People and Process were added.

Product can be tangible or intangible, refers to the needs and wants of customers. The marketing decisions over product usually are product design, product assortment, branding, packaging and labeling, services, guarantees and warranties, life cycle of product.

Price is the sacrifice of customers to get the product, such as time, money. Price gets affected by strategy, tactics, allowances, discount and payment terms.

Place symbolizes to location, distribution, as the result, strategies on place are about choosing distribution, franchising, channel member selection, assortment, location, inventory, transport, warehousing.

Promotion is about marketing communication such as advertising, PR and sale. The strategies here is for the balance of advertising, how to communicate with customers, how to influence customers and the communication ratio (Blythe, J (2009).

Physical evidence is all the tangible factors related to service and support service performance. They can be facilities, layout, signage, interior design or artifacts (Bitner, M.J., 1992).

People are human who take part in the service process, the ones delivers the service, the interaction between companies and customers. There are many factors concerning people, such as staff recruitment and training, uniforms, scripting, reservation systems, feedback systems, social interactions (Hoffman, D et al.).

And last but not least is Process, which means the activity flow in delivering service. Marketers need to care about the process design, blueprinting service process, monitoring service performance, customization decisions, key performance indicators and so on.
3.4 Word of mouth

Word-of-mouth (WOM) has been defined by many different authors and researchers. For instance, WOM is described as “informal communications between consumers concerning the ownership, usage or characteristics of particular goods, services and/or their sellers” (De Matos, Rossi, 2008). WOM is also referred to “any information about the target object or brand transferred from one individual to another” (Brown at al., 2005). People seem to keep looking for advice, for others’ opinions, due to the lack of trustworthy information (Berger, 2014). In another word, WOM can be understood as a discussion, conversation. It is both casual and in-depth-informative.

According to Berger, 2014, WOM function is gathered as five factors, they are impression management, emotion regulation, information acquisition, social bonding and persuasion.

There have been many researches about the influence of WOM marketing on consumer decision making process. For instance, Kristiina Herold in 2015 has researched about the impact of WOM on consumer decision making: an information processing perspective in the context of a high involvement service. Within the research, the author has pointed out several factors which affects WOM marketing in services. The WOM marketing is first depended on evaluating individual. Secondly, the service values take a big part on WOM marketing process. The third is the sources of WOM in the formation of brand attitudes. The most highly regarded source is family, then friends and teachers. And the last one is to point out the effects of normative and informational influence in WOM.

Another research is from Fatima Naz, 2014, about WOM and its impact on marketing. The author concluded that social media takes a big part in WOM marketing, due to the fact that it’s easy for people to read comments of each other about dissimilar matters. Even if consumers decisions are not affected by the comments, they still become aware of the products. WOM marketing also affects belief, power, inspiration; self-expression; positive attitude to online marketing; forwarding of contents; purchasing decision and standard marketing.

In the food and beverage industry, WOM marketing is also crucial. However, it is not easy to apply. An article from Restaurant time has combined both WOM marketing and 7Ps marketing to come up with a new way of marketing, which is including engaging with customers; equip and encourage customers; and empower customers. Engaging with customers us about creating personal touch, regular updates through physical contacts, social media, newsletter. Equip and encourage customers is about making customers talk about the restaurant, establishing long lasting impression, asking for feedbacks, also through both physical contacts and social media. The business can empower their customers through social media campaigns, promotions and events.
4 Methodology

4.1 Observation

There are two collecting primary data through observation methods are applied, they are participant observation. The participant observation is qualitative, and it emphasizes in understanding the meanings of people actions; while the structured observation is quantitative, and it concerns about the frequency of actions (Saunders, Lewis, Thornhill. 2016).

According Saunders, Lewis, Thornhill, complete observer observation is chosen to study the meaning of customers’ actions. In the research set up, the researchers do not reveal their identity, but they don’t participate in the activities of the group as well. Participants act more naturally without knowing they are being observed. Additionally, the research is about consumer behavior in a restaurant, therefore, this is the best and only method to collect necessary data. The research is to understand about a subconscious phenomenon, which can be changed or get defensive reaction from participants, therefore, it is the best to hide researcher’s identity. Beside all the advantages of the method, complete observer observation also brings out many questions concerning the ethical matters about “spying on people’s action”. Nevertheless, observer bias and expectation also have their effects. Both of these matters can influence the result of data collection process.

4.2 Interview

Semi-structure interview was selected to this study. Semi-structure interview helps with explanatory, exploratory research. With semi-structure interview, research can build on question, understand interviewees by many follow up and deeper questions. The interviewer has a pre-made set of themes and topics, even though the questions can be dissimilar. Semi-structure interview is flexible, and it deeply addresses issues (Brennen 2013, 38).

4.3 Data analysis

Thematic analysis is chosen as the main data analysis method of this research. Thematic analysis is applied for qualitative research, concentrating on investigating data according to themes. Thematic analysis identifies the direct and indirect ideas of words and texts within the data (Guest, 2012).

“Thematic analysis is used in a realist study that seeks to understand factors underpinning human attitudes actions” (Saunders, Lewis, Thornhill, 2016). This research will be analyzed with the deductive approach, which is connected to an existing theory.
The analyzing process will start with recording and generating gathered data. After that, a list of codes will be made, and the gathered data will be sorted accordingly. The codes will be selected according to the main theory as the whole data set is to understand and examine the existing theory. The next step is to put codes and data into themes, in order to understand the relationships of theory and reality, theory and data, data and the whole concept. These themes will be refined and evaluated.

4.4 Reliability and validity
Reliability and validity of data collection and analysis are important factors in correct evaluation. According to Leung, 2015, reliability in qualitative research means “the consistency, richness and ambience of data”, they are formed by “reputational analysis, constant data comparison, comprehensive data use, inclusive of the deviance case and use of tables”. Validity means the “appropriateness of the tools, process and data” in resulting the research answer.

Both observation and interview processes were conducted in the author’s workplace, which is also the case company. As Spradley suggested, short notes were always in the making process during the collecting time, expanded notes were created after each session, all the problems and situation were recorded, the process of interpretation was made as soon as possible. Observational studies mostly provide brief, persuasive, data extracts (Silverman, 2006). Therefore, the observation process was conducted with the manner of describing the reaction and situation, rather than interpreting or explaining. Additionally, the data was coded as the same factors and themes from the grounded theory.

According to Gibbs, “the process of transcription can be seen as a form of translation from one medium to another and inevitably involves some interpretation”. The transcription process is not word to word making, however, combining with the conducting mannerism, the author tries to make and maintain the respondents and participants opinions and reaction. However, there were no respondents refuse to make their statements during the process.

5 Research result
5.1 Background

The following chapter presents the result of previous research method process. The analysis process is proceeded as thematic analysis, with three broad themes; conformity, contagiousness and power of suggestion. These themes are gathered and chosen from the literature review. The thematic analysis seems to be the most suitable analyzing method for the research. Thematic analysis supports studying qualitative data efficiently. It divides and organizes data logically, according to the theoretical framework.
The research has been conducted with several methods, mostly are qualitative methods. As the research is about psychology and customer behavior, which are not tangible fields and uneasy to explain, therefore the author used various methods, such as observation, interview, social experiment to investigate the topic, in order to have the most precise result. All of these methods support each other in process of defining the phenomenon. However, as the combination of many different research methods, the whole process was time-consuming and work-dedicating. As the matter of fact, the whole research was 5 months long to answer several questions: does crowd psychology have effect on customer decision making process, how does it affect customers, and if it does, which part of the process that it influences on.

5.1.1 Observation

The observation was conducted in the period of 4 months and recorded in two different methods, one as qualitative method and one is quantitative method.

The qualitative observation was to record the reaction as well as reflecting behavior of targeted customers. The targeted customers here are the one whom the restaurant is visible to them. In a bold description, the author has chosen the group of customers who recognized the restaurant and paid attention to the event in the restaurant. They all have one same set of actions: they walked by, they were aware of the happening inside the restaurant then they stopped to read the menu. They are called as “potential customers”. The main goal of the observation was to acknowledge how potential customers recognize “the crowd” inside the restaurant and how they would react to the crowd image, in another word, whether the psychological crowd effect potential customers’ decision making process of entering the restaurant. The potential customers’ follow-up actions contributed a big definition to the whole research. They are the representatives of crowd psychology influence, additionally their follow-up actions would be the root for next data collection methods in the whole research.

The quantitative observation was to record the exact number of people who checked out the restaurant comparing to the amount of those entered. These numbers would help to visualize the result, additionally would help to prove whether the “crowd psychology” has real business effects. After 4 months of observation, in total 39 days, the number of participants in observation has reached nearly 600 people (the number of potential customers).

In order to have a fair result, the observation schedule was chosen randomly, which means there is no fixed week days. From the beginning, with own experience and other previous research, the author notices that it is not only crowd psychology would affect customer decision making process, therefore, choosing random days, with no special event would improve the
concentration on crowd psychology. Additionally, observation is considered as a precise and dedicated work, the researcher should have gap time in between sections to analyze and process previous data.

Both qualitative and quantitative observations support each other. The qualitative observation is reviewed and written down by words of recognition. After that, the same reactions of each and every participant are gathered and sorted. The main focus of this method is to answer whether the psychological crowd affects potential customers and if it does, which part of the decision-making process does it affect. However, as the qualitative observation is described by words, which could have many different meanings, the quantitative observation was applied, in order to create hard facts for the whole process.

On the other hand, the observation methods have their own limitation. They can only compare the differences between two states of having a psychological crowd and not. It cannot explain how crowd psychology affect customers and how to improve the business using crowd psychology. However, from that point, we can narrow down the participants and influencing factors, in order to carry on the next data collection methods. In addition, the knowledge of customer reaction the crowd can also be the explanation of their behavior in the later research.

Social experiment is a small part of the observation method; however, it was conducted separately, in order to have its own individual result. The social experiment is a supplementary to re-confirm the result of the observation.

The content of the social experiment is to have 12 volunteers stay in the restaurant in the period of 2 hours from 6 pm to 8 pm, pretending like they are being social and having meal. From that case, the observer could see the reaction of potential customers over the crowd. The chosen day was a normal Wednesday with no special event or weather condition. Normal weather condition is described as without bad weather like hard snowy day, rainy day, which could be a prevention of potential customers in their decision-making process.

The different with this social experiment and normal observation condition is that conductor can manage the random factors, such as weather, period of time, schedule or even seat map of the restaurant. Therefore, the observer can reduce other decision-making factor effects, focusing more on crowd psychology effect.

The limitation was due to the scale of the project, the social experiment was only conducted once, therefore, not much information was gathered from the social experiment. If the scale of the project were bigger, the researcher hoped to have several experiments with dissimilar
criteria and situation. However, the social experiment was still one of major support for the observation process. It has tested the effects of crowd psychology in an ideal environment.

5.1.2 Interview

In addition to observation limitation, the author chose interview method to have deeper understanding about the matter. The interview was conducted with customers who had already chosen to be in the restaurant. The aim of the interview is to acknowledge customer backgrounds, the motivations of their action and to re-confirm the doubt in observation methods: whether the psychological affects customer decision making process. The interview method also digs deeper to another level to answer which factors of crowd psychology influences customers.

The interview was made with the total of 56 people. It depends on how customers come that the interview is conducted as individual interview or group interview. The follow-up questions were applied. The main questions are “is it the first time of being at the restaurant”, “how the restaurant was noticed”, “what key factors influences that decision”.

The interviews are short comparing to normal standard interview. However, due to the situation of restaurant business, it is not possible to conduct long interview with random customers. Additionally, the interviews focus on recent situations, fresh memories, therefore, re-schedule to have deeper interview would not bring the same effects. Each interview takes around 2 to 3 minutes.

The data was categorized by the last follow-up question, which depends on how the customers got suggested, whether by friends, straight-notice or social media, internet. The data is coded with the same categories, and also be presented in two methods, quotation and diagram.

The interview also has its own limitation. Firstly, the interviews are rather short, therefore they cannot demonstrate every piece of information it should have. Secondly, as stated above, the interviews are based of fresh experience and memory, however, if the interviewee quoted their suggestions, it might not bring the full understanding.
During the interview process, the total of replies is 56, and all interviewees replied to three asked question. With the question “How many times have you come to the restaurant?”, there were 21 out of 56 are new comers. More than half of the interviewees are returned customers, some of them are even loyal customers, who keep coming back.

With the question “How did you know about the restaurant from the first place?”, 12 people knew through internet, 15 people were just walking by and 29 out 56 got suggested by their colleagues, friends and families. Additionally, interviewees who got the information from internet, they all researched and read comments of previous customers to make their own decisions. As can be seen, three forth of the total interviewees got suggested by someone, which creates major influences on their decision-making process. More than half of the interviewees listened to their familiars’ opinions and followed them. Some of the interviewees are not only suggested the restaurant to others but also bring other customers to Giwa physically.

5.1.3 Data analysis: thematic analysis

The research analysis process is started with quoting and sorting the interview and observation data into three themes, according to the literature review. As the research question is circled with three relating theme of Crowd psychology; conformity, contagious and power of suggestion, the data is coded with these three categories. At the same time, the observation will be transcript and coded accordingly. The result of the whole process will be the combination of both interview and observation data.
Thematic analysis is flexible, creates theoretical freedom for researchers, which help young researchers to have more accessibility. As for qualitative methods, thematic analysis is studied quickly, with simplified procedures. Additionally, thematic analysis is useful to examine various research participants’ perspectives, emphasizes the differences and similarities in their points of view. This analysis method also makes researchers to approach their data in a more structured way to deal with the data.

However, thematic analysis has its own disadvantages. The flexibility of thematic analysis is one of the major advantages, as well as disadvantages. The research can be inconsistency and coherence lack.

5.2 Theme
The three themes conformity, contagiousness and power of suggestion are not separated, they are all related to each other. As they are psychological states, they have some similarities and linked with each other. It is difficult to defined which one would be the major. Therefore, in the research process, an example can describe in various characteristics.

5.2.1 Conformity
Table 1 Conformity Code

<table>
<thead>
<tr>
<th>Code</th>
<th>Participant</th>
<th>Quote</th>
</tr>
</thead>
<tbody>
<tr>
<td>Normative conformity</td>
<td>a customer, around mid 40s, comes to the restaurant with his twin daughters</td>
<td><em>I am personally not into Asian food, but my daughters really like Korean music, so I decided to try out the restaurant with them.</em></td>
</tr>
<tr>
<td></td>
<td>a group of four friends, late 20s</td>
<td><em>I don’t know anything much about Korean food,</em></td>
</tr>
</tbody>
</table>
however, my friends here have just finished their exchange in Korea and they love it. Personally, I always thought of Korean food as super spicy food and I cannot eat spicy at all. But I decided to tag along anyway because we are going to a bar near here after this.

<table>
<thead>
<tr>
<th>Informational conformity</th>
<th>Man, couple, in their early 30s</th>
<th>I work near here, so when my co-workers suggested to go to the restaurant, I agreed to join them. They seemed to be enjoying the place a lot and I was looking for more lunch choices</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Woman, couple, in their early 30s</td>
<td>I have seen the restaurant so many times but I did not try it, until my boyfriend told me about Giwa. My boyfriend was a regular customer of Giwa so told me about the restaurant a lot. He actually took me here today. I myself am very in fond of Asian food. I am a chef. So I wanted to try different restaurant to understand more about the cuisine</td>
</tr>
</tbody>
</table>

The theme conformity contains two codes, normative conformity and informational conformity.

The normative conformity influences people who badly want to fit in, they are under a lot of group pressure. They are also afraid that the group would reject them. In some way, they are
also including compliance conformity, in which participants can accept the group idea but not agreeing with them entirely.

Informational conformity is more about people who lack of knowledge and need ideas from a group to guide them. The participants will take group ideas as standard to compare their behavior with. This is closer to internalization conformity than compliance as the participants adopt group ideas rather than doubting them.

In the research process, the researcher has interviewed and observed few examples which showed these two types of conformity.

Normative and informational conformities are two starting factors to start customer decision making process. During the research, the author has interviewed many people with these questions, such as “how do you know about the restaurant?”, “why did you choose this restaurant?”. They all have dissimilar answers, however, many of them come across with having someone that they know suggested the restaurant or take them to the restaurant.

For example, a customer, around mid 40s, comes to the restaurant with his twin daughters said:

*I am personally not into Asian food, but my daughters really like Korean music, so I decided to try out the restaurant with them.*

In this case, it seems like this customer conforms with the idea of Korean food, so he can spend some quality time with his twin daughters, who are big fans of Korean music and culture. In another word, he’s got influenced by Normative conformity. He doesn’t seem to enjoy Asian food that much, and as a matter of fact, he might not even try out himself if it’s not because of his daughters. However, he decided to go to the restaurant with his daughters, in way to make them happy, and included himself into their idea of happiness, which also means he doesn’t get convinced by the idea, but he still followed it.

Normative conformity here contributes a part in the father decision making process subconsciously. He doesn’t necessarily like Asian food or Korean music, but he still wants to fit in with that group, which is his daughters, and bigger is their teenage world to understand them.

Another example is about a group of four friends. They are in their late 20s. One of them said
I don’t know anything much about Korean food, however, my friends here have just finished their exchange in Korea and they love it. Personally, I always thought of Korean food as super spicy food and I cannot eat spicy at all. But I decided to tag along anyway because we are going to a bar near here after this.

This customer has some similarities with the father from the first example. He is not into spicy food and he even seems to be a bit scared of the idea of spicy food. However, as all his friends recommended it, he was still attending. He doesn’t know much about Korean food, so most of the opinions about Korean food, he got them from his friends, which draws out for him an expectation of the Korean spiciness. He doesn’t like the idea, he’s afraid of the idea but he wants to join in the group, so he still goes to the restaurant with them.

Therefore, the starting point of this customer decision making process is clear, he only attends to the restaurant to fit into his friend group, who went to Korea for an exchange and love it. The Normative conformity here takes a major reason why he made that decision, even though he did not like it at first.

These two customers made their decision based on the groups, which they were with, decision, and both of them did not fully agree with it. However, they still followed it and did as the groups have done. It could be understood as the groups took a big part in their decision-making process. The groups are the main factor for these two customers to go to the restaurant. Subconsciously, the father and the friend in two examples wanted to fit into the two groups which they were not involved before, one is the daughters and the other is the exchange to Korea group. They don’t mind of abandoning their opinions and thoughts about Korean food and the restaurant, they accept the idea, so they can be one of the groups.

The research kept going on with many unalike responses. The next example is about a couple in their early 30s. The man answered:

I work near here, so when my co-workers suggested to go to the restaurant, I agreed to join them. They seemed to be enjoying the place a lot and I was looking for more lunch choices.

The similarity of this example and the other two is they are all conformed by other people. However, the guy in this example, he actually believed and agreed with his colleagues, and he also needed the information for himself. He did not attend to the restaurant only to be with his colleague. He wanted to know the details and he trusted his colleague opinions. Therefore, in his case, he was influenced by informational conformity, not normative conformity. He doesn’t seem to have any doubt with his colleague ideas, who are well-informed
than he is. This additional information, such as he works near the restaurant, or his colleagues seemed to enjoy the place were to make his decision firmer. The fact he knows that his workplace and Giwa are closed to each other means he notices the restaurant before. However, his colleague’s validation was the true push for him to go to the restaurant.

At the same time, his girlfriend response was:

I have seen the restaurant so many times but I did not try it, until my boyfriend told me about Giwa. My boyfriend was a regular customer of Giwa so told me about the restaurant a lot. He actually took me here today. I myself am very in fond of Asian food. I am a chef. So I wanted to try different restaurant to understand more about the cuisine.

The girlfriend was influenced by the boyfriend, just like the boyfriend was affected by his colleagues. The restaurant just appears in everyday story of them unintentionally, as the guy is Giwa regular customer. Additionally, the girl is a chef with hunger of learning more about Asian cuisine, so she took the information in and accepted it. It seems like she also got influenced by informational conformity. She was unsure about the decision of trying out Giwa until her boyfriend told her about the restaurant. His suggestion was a kind of guarantee to her, it empowered he decision, for her to make sure that it would not be a mistake.

5.2.2 Contagion

Table 2 Contagion Code

<table>
<thead>
<tr>
<th>Code</th>
<th>Participant</th>
<th>Quote</th>
</tr>
</thead>
<tbody>
<tr>
<td>Physical contagion</td>
<td>a group of 5 people, around mid 20s</td>
<td>We were walking by and noticed that there was a line to this restaurant, so we decided to try it.</td>
</tr>
<tr>
<td>Mental contagion</td>
<td>A couple, late 20s</td>
<td>Last Tuesday, my boyfriend was on his way to the gym and he saw that the restaurant was very busy, so he just decided to book a table for us for the weekend.</td>
</tr>
<tr>
<td>Culture contagion</td>
<td>3 young girls under 20-year-old</td>
<td>We are big fans of Korean drama and music, so we tried to find Korean restaurant in Helsinki, you know, to see what it’s actually like compare to what on TV. And we like it!</td>
</tr>
</tbody>
</table>

Contagion, so called behavioral contagion is the term to describe the action of people repeating behavior of others. It could be conscious actions, however, most of the time, people are not aware of the copying they create. In another word, a lot of behaviors are imitated subconsciously. They could be physical actions, such as accents, tone of voice, speed rate or postures, gestures and mannerism. They are also mental states such as emotions, moods, facial expressions. In some strange cases, laughter and yawning are also included. Behavioral contagion is also a method to spread skills and culture.

The whole contagion theme will be coded with three main codes: physical contagion, mental contagion and culture contagion.

**Physical contagion** is about the contagious effect of crowd, which makes potential customers want to make the same actions, have the same behaviors with people who are in the crowd. In this case, some physical appearances of the crowd raise the visibility of the restaurant. They make other customers notice the place easier, additionally, these appearances make other customers actually want to do like people in the crowd. In order to have this impact, a physical crowd is needed. The crowd should be observable, and more important, the same behavior must be active between people in the crowd.

**Mental contagion** mostly affects people emotions, moods. In a way, it also raises the visibility of the restaurant, however, it is more about making potential customers have the same emotions, moods which the crowd is expressing. On the other hand, the mental contagion could create two opposite influences for the business. If the crowd can express and maintain the feeling of happiness, excitement, potential customers will receive the same moods and get affected in the same direction. However, if the crowd shows the expression of boredom, tiredness, these potential customers will also get the same reaction. Both of the situations show the contagious effect of the crowd, but they make totally different results for the
business. For example, laughter and yawning, they are both contagious, but they have contrasting indications.

**Culture contagion** is created by a broader crowd than physical and mental contagion’s. The crowd here in culture contagion is about those people who got affected by Korean culture. They could be Koreans living in Finland, travelling Koreans, or dissimilar nationality people whom like or try to get involve with Korean culture. Culture transferring is causes and also results of psychological contagion. As a social behavior, culture takes a big part in decision making process.

For **physical contagion** proof, a group of 5 people, around mid 20s were interviewed,

We were walking by and noticed that there was a line to this restaurant, so we decided to try it.

A line of people could be considered as a crowd, which have the same behavior, lining up for the restaurant. First of all, the line to the restaurant is a first impression and visible factor for those five customers. The five customers were just walking by; therefore, it can be interpreted as they did not have any intention of attending to the restaurant, and it is not certain that they did know about the existence of Giwa beforehand. The line of people, or the action of many people lining up somehow made them feel curious and have the need of lining up with other people any trying out the restaurant. A group of people with the same behavior drew the five customers’ attention to an action, a place which they did not intend to do, to visit. In this situation, it is clear that without the existence of the line, which is a psychological crowd in a way, the awareness of the customers would not be concentrated. Their new action, behavior was created directly on spot. Additionally, it doesn’t seem like they have any reason to conform with the people in the line. In a way, the interpretation can be made as mental contagion as well; however, the emotion of the line was not clarified, so it is not possible to make the comparison.

In the observation process, there were many examples for the physical contagion. For instance, there were a group of four people stopped to check the menu, which are on the restaurant window. Suddenly two other people who almost walked by, came back to check the menu with them, then three more had the same action. Eventually, seven customers decided to come in. All nine customers clearly did not know each other, and also, they were not in the same group. However, they still shared the same action, the same behavior. The action of checking out the menu of the first four customers attracted and transferred to two other customers, then three more. They did not know each other, they did not ask each other to do anything, they just decided to do so. One more detail is those customers who came late, they
did walk by the restaurant, but they came back. It can be interpreted as at the beginning, they also did not intend to go to this restaurant. It is unclear whether they wanted to go to a restaurant at first; however, Giwa restaurant did not have their attention without the first checking menu group. Many times, individual person stopped and checked out the menu with different reasons they had, but it is unlikely to attract and create the same effect an action of whole group of people. A normal person without dedicating situation is difficult to make a whole crowd effect. It is stressed that the situation as the example happened often. In the whole observation process, it happened over 40 times, with different amount of people but the same situation of an original crowd attracts other people to have the same action.

**Emotional contagion**, a couple, late 20s, the woman answered:

*Last Tuesday, my boyfriend was on his way to the gym and he saw that the restaurant was very busy, so he just decided to book a table for us for the weekend.*

This simple answer was not only from this couple, it is also from other 7 people, that they only see that the restaurant is busy, so they want to try out. Therefore, the question here is what they noticed from a busy restaurant that makes they want to try the product. A busy restaurant here can be referred to crowded restaurant with many customers and busy staff, both of them affect to customers.

Combining with the observation process, even though a crowded restaurant and active staff show movements which happen inside the restaurant; however, it reflects the moods, the emotions of people inside the restaurant as well. Crowded restaurant with customers talking, eating, drinking creates the enjoyable atmosphere for the place. It is difficult to see and understand what individual in the crowd was thinking, or feeling, but in the whole picture, outsiders can only see that many people had chosen the place and they seemed to be satisfied with their decision. This emotional contagion was the main factor for outside customers to notice the restaurant. An empty restaurant with nothing happening is uneasy to get customers attention.

Nevertheless, a crowd in the restaurant also provides the business an optimistic visual. It makes potential customers feeling more trustworthy; in another word, it is more like there were someone else tested the result for their decision. Especially if inside customers all look happy and enjoying, there would be a big reduction of doubt. In this case, it is nonverbal emotional contagion. And it seems like this is the beginning of the whole contagious process. The whole contagious process starts with the spread of emotions and moods, then they reflect to action and behavior. The emotional contagion also takes part in later process, for example how customers recommend the restaurant to the future customers.
Return to the example of the couple, the first impression the boyfriend had and also the key factor for his decision-making process was the memory about busy restaurant, which was explained as subconscious emotional spread from the crowd inside. It was unclear whether they remembered how the restaurant look like, or the menu content, or the interior; however, it is certain that they memorized the emotion was made.

Emotional contagion creates subconscious reaction and long impression. They noticed the crowd from Tuesday, they did not attend to the restaurant right away. Instead, they made a reservation after and they still remembered reaction by Saturday.

The emotional contagion is not only made by the inside customers, but also the staff as well. The working staff is also a part of the crowd. Busy staff seem to have more effect than bored, tried-looking staff. If inside customers are the one to spread emotions, reflect emotions, staff will be the one who create emotions. Friendly, active, happy staff will lead customers to the same emotions. In order to be contagious, emotions need making first. Staff are the first to generate, demonstrate and maintain the whole emotional process of the area. With the physical action of moving around and delivering services, staff receive a lot of attention of inside customers. Therefore, they are also a part of the whole impression.

As stated before, emotional contagion can also have negative effect. With a strong and deep impression for people, if a boredom demonstration was made, it is difficult to change and fix it.

For a further research, emotional contagion was observed during social experiment. The content of the social experiment is to have 12 volunteers stay in the restaurant in the period of 2 hours from 6 pm to 8 pm, pretending like they are being social and having meal. In the small scale of the research, the experiment has shown the result according to the theory. Before the 12 participants were in, people did not seem to notice, or pay attention to the place. However, after the participants were set up, especially, they showed their happiness and excitement. Within the social experiment period, there were 86 customers checked out the restaurant, and 48 actually came in.

Cultural contagion is also a big advantage of the restaurant. A group 3 young girls under 20-year-old were interviewed.

*We are big fans of Korean drama and music, so we tried to find Korean restaurant in Helsinki, you know, to see what it's actually like compare to what on TV. And we like it!*
They came to the restaurant to satisfy their curiosity. However, their curiosity came from Korean media, culture. These three customers made it clear that they came to the restaurant because of their interest in Korean culture. It seems like they had not seen Giwa or any of Giwa’s advertisement before, as they had to look for it, they actually intentionally research for a Korean restaurant. Therefore, what brought them to the business was the cultural infection.

In the observation process, a big group of customers of Giwa is Korean residences in Helsinki. They came to the restaurant with consideration of the place as something to remind them of home, a place to gather Korean people. As the matter of fact, the restaurant is a common location to host small event of Korean Embassy in Finland.

5.2.3 Power of suggestion

Suggestion can create powerful effect to people. Suggestion here can be understood as a type of marketing strategy, word-of-mouth marketing, or story-telling. In this case company, suggestions between customers are seen very often.

A couple, late 20s, made a comment

*Our friend told us about the restaurant, about the location and price. But I did not visit sooner, because I haven’t got time.*

In Consumer.ology, Philip Graves told us about the example of using influencers to control the crowd. However, in that example, those influencers are celebrities and people who surely has credibility in their working field. In the interview example, the influencer was actually their friend. According to a Nielsen study, 92% customers trust their friends’ suggestions than advertising. The power of suggestion comes more from friends, family than influencers.

A group of 15 people, around middle to late 20s, one customer answered:

*I am a regular customer of the restaurant, I actually know the restaurant very well ever since it was still Maki Maki, so today I bring our friends who has a pre-wedding party here.*

The customer in the example actually a demonstration for word-to-mouth marketing. With good experience at the restaurant, she brought more than 10 others to share the experience she had. She even claimed that she knows the restaurant very well, so even for somebody work in the restaurant, she sounds convincing.
5.2.4 Structured observation
The amount of customers at the beginning refers to the amount of customers inside the restaurant at 5 pm in each observing day as the observing period is from 5 pm to 9 pm. The number of customers at the beginning also represents the crowd in the restaurant, the more people the bigger crowd sizes. The total checking refers to the total number of customers checking out the restaurant as well as the restaurant’s menu, disregarding whether they enter or not. This number represents people who noticed the crowd, or in another word, got influenced by the crowd. The total entering is the number of customers actually enter the restaurant afterward, which indicates the result of crowd influence.

The observation is about comparing and calculating the number of customers at the beginning with total number of customers checking out the menu and total of people actually entering the restaurant.

As can be seen, in majority, those days which has more customers at the beginning, most of them have bigger number of customers checking as well, which means they receive more attention from “potential customers” (explained from chapter 5). According to the bar chart, when the beginning has 20 customers or more (restaurant has 26 seats), number of people noticing are from 43 to 60. In contrast, when the beginning has lower than 10 customers, number of people noticing are under 20. The bigger the crowd, the more attention the restaurant gets.

Figure 4 Structured Observation Result
The number of customers entering the restaurant is also under the same influence. The higher the number of customers checking the restaurant is, the higher the number is customers entering the restaurant is. From the chart, when the number of customers checking is 35 or higher, the number of customers entering is also 35 or higher. The bigger the crowd, the more influence it creates. Comparing to the number of customers at the beginning, when the number of customers at the beginning is low as 10 or under, the number of new customers entering also low, or the changes are not dramatic, under 17 people. However, the numbers of customer at the beginning is high, the number of customers entering changes dramatically with the peak of 52 people.

As a result, the number of customers checking and the number of customers entering are directly proportional with the number of customers at the beginning.

6 Communication strategy: Word of mouth strategy

Conformity has been mentioned repeatedly throughout the whole paper. The whole point of conformity is how to influence people, to make these “potential customers” become the actual customers. Even with normative conformity or informational conformity, they are all affected from some influencing groups. Those influencers can be anyone, come from anywhere. They can be friends, colleagues, relationship partners or some celebrities.

However, there are people who have never who or heard of the restaurant, even though they are intending to try new things. Therefore, what the restaurant should do is to make themselves more visible and make more people curious about them. How can they do that? It could be from their business concept, or their ethnic, culture concept. This is where the business should work with different social media influencers. Some influencers about food and cuisine, some influencers about culture and ethnics, each of them has their own audience and people that follow them.

Therefore, the mission of marketing strategy here is to focus on expanding and creating more influencers through various channels and methods.

Combining with previous research about service marketing method, the author has chosen WORD OF MOUTH MARKETING (WOM) as the most suitable strategy for the business. There are several reasons for the choice, as service industry, customer’s demographic and service value.
6.1 Service industry
The restaurant business belongs to the service industry. It is understandable that the restaurant makes a tangible product, which is their food. However, it also provides another intangible product as the services.

The services are more difficult to evaluate than the goods, because it is intangible, inseparability, perishable and variable (Hatcher, 2013). That is the reason why marketers need to apply 7Ps instead of 4Ps.

In this case, because the services of the restaurant are intangible, the quality of the products is hard to measure. Therefore, the quality of the services is gathered by WOM, which means from other previous customers. This source of information can be seen as reviews, which can be online or face to face discussion. On the other hand, looking as the prospect of Crowd psychology, the previous customers can be understood as the group of customers currently inside the restaurant. It is possible as they are demonstrating a visual review for the restaurant.

The quality of the product is also affected by the employee’s performance (Hatcher, 2013), which is the People in 7Ps. According to the research mentioned in result chapter, customers are more excited with happy and active employees. The performance of employees will create impression to customers, which is one of the factors that make customers starting to talk about the restaurant. The more customers discuss about the restaurant, the more visible suggestions are made. This is one of the strongest characteristics of the crowd.

6.2 Customers’ demographic
According to the research, in the interview, most people got influenced are related, such as families, friends, colleagues. They are the most trustworthy source when it comes to WOM. As explained before bout normative and informational conformity, customers are looking for suggestions, information.

In this particular business, through the research, the author has noticed that Giwa has already got this effect from WOM, therefore, it is necessary to improve it, to make more trustworthy source give out information about the restaurant. This is the point where the business can start increasing its brand awareness.

6.3 Service value
Service value takes a crucial part in WOM. Throughout the research, even though it was not highlighted, the restaurant has received many positive comments from customers. It is also the reason why they recommended the restaurant from the first place.
The business here needs to figure it out what is their value in services. This question was answered and mention in the research. It is their food quality, their culture and their employee. Giwa is not a fine-dining restaurant. They are all connected to each other. With the good value, they will have a good impression with customers, which creates emotional and physical contagion from customers inside to customers outside the place, from previous customers to potential customers. Then these customers will create a chain of suggestions, which leads to conform future customers.

6.4 Business start

With WOM as the strategy, the business can start with few first steps, which was mentioned in WOM section, Engage with customers, equip and encourage customers, and empower customers.

First of all is to engage with customers. As stated before, WOM is to make people start talking about the restaurant. On the other hand, the restaurant all needs to listen to their customers. It is to create a link between the organization and their customers. It makes customers feel respected, their opinions are valued. The restaurant can start creating personal touch for their customers, such as remember regular customers’ names, their favorite seats, their favorite orders. Restaurant employees can talk to the customers, remember their stories, slowly get to know them personally. The restaurant news needs to be updated regularly. This is where social media applied. The business can send out weekly post, keep customers updated, reminded. These updates also need to have personal touch to make customers feel familiar. All the social media channels, such as Facebook, Twitter, Instagram, LinkedIn are eyes, ears and mouths of the business. It makes the business visible as well as the customers. All the comments need to be handled with positive attitudes, even the negative comments and criticism.

Secondly, the restaurant should equip and encourage their customers, which means the restaurant should give their customers something to talk about, make the discussion become necessary. According to Fatima Naz, 2014, WOM is the need of self-expression. People like to share their opinions, certainly to their friends and families. The business should create good impression with customers. It is all about their service values, not just good service, creative service. For instance, they can focus on their facility management such as their decoration, restaurant setting; they should update their menu often to attract both old and new customers. Social media is a good supportive tool to create and maintain impression with customers.

Thirdly, the business can empower their customers to raise brand awareness. The way to do this is to establish promoting campaigns, referral programs and event. They can be both only and offline.
7 Conclusion

The research goal is to investigate the best marketing strategy for Giwa restaurant. The author uses the main idea of Crowd Psychology to create another approach to the marketing strategy. Through empirical research, author has come up with a marketing strategy for the case company.

The literature review, interview and observation provide another customer understand of Giwa’s customers from herd point of view. That helps establishing foundation for future marketing strategy. Visualizing different forms of crowd psychology develop implementation of suggesting marketing strategy for the business: Word of mouth strategy, especially through influencers and social media. Additionally, the research also points out different concentrating angles in the strategy. The research has validated that crowd psychology creates influences on customers and WOM of a method to expand it.

The research still has its limitations, which are from the qualitative research methods. Measuring the complete of marketing strategy is always difficult to be done. Furthermore, there is not a certain formula to create a perfect plan; it needs to be on trial. It would take some longer time to make the result of this strategy to be visible.
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Illustrations

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Figures

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Tables

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Appendixes

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Appendix 1: Interview questions

1. How many times have you come to the restaurant?
2. How did you know about the restaurant in the first place?
3. a. If you got suggested by someone you know, which keys of the suggestion made you decided?
   b. If you notice the restaurant by chance, which factors make you notice?
   c. If you know the restaurant through social media, which channels did you see and which impression make you notice?

Appendix 2: List of observation issue

1. Observing numbers
   Observing time from 5pm till 9 pm
   - Number of people in the restaurant at the beginning
   - Number of people checking the menu
   - Number of people enter
   - People that notice the crowd inside the restaurant
   - Compare between total of people checking and total entering, total checking and total customer after one hour
   - Total entering people is also the number of customers the restaurant has per night (might be combined with the beginning of 17.00)

2. Observing reaction
   a. How do people react when they notice the crowd? The observing reaction mostly reflects through their physical behaviors, not facial expression or emotion.
   b. What do people do after they notice the crowd? What are their follow-up action and behavior?