

# Coworking Space: A New Requirement at Fast Food Restaurant in Millennial Era

Ryanty Derwentiana Nazhar  
Departemen Desain Interior  
Universitas Komputer Indonesia  
Bandung, Indonesia  
ryanty.derwentiana@email.unikom.ac.id

**Abstract—** The purpose of this study is to conduct a literature review of the phenomena at this time, regarding the emergence of new needs in fast-food restaurants in order to adapt to the needs of the millennial generation as the latest target market. Holding coworking space is one of the answers to anticipate these needs. Providing workspace in fast food restaurants is not uncommon because the initial concept of fast food is to serve and serve quickly, and consumers are just eating and spending a long time there. This research used descriptive analysis method with Richeese Factory and Mc Donalds case studies, as a representative of a fast food restaurant that changed the concept of the visitor area lately. The study found that currently the coworking space area in the fast food visitor area is a new requirement in this era. The activities and needs of millennials now are factors that are considered by fast-food entrepreneurs to create a coworking space area to add new functions to improve their product marketing. So now the functions of consumer space are not only for eating activities but also added work activities. The addition of this activity caused changes in the function of space and also the addition of service functions. The results of this study can be used for further study, as a reference to find the best layout that can be applied in a fast-food restaurant, in the form of space optimization that considers the combination of coworking space and dining area facilities without disturbing the comfort of users, especially consumers.

**Keywords—**Coworking Space, Fast food Restaurant, Millenials

## I. INTRODUCTION

At present, the coworking space area is considered as one of the needs in a restaurant area, in this case, fast food restaurants. This can be seen from the activities and needs of the restaurant consumers who were originally a family, but now more are teenagers and early adulthood, which is now known as the millennial generation. Fast food restaurants were originally restaurants that had the concept of serving quickly and also ate on the spot for a short time. Changing times, over time also change the habits and activities of its users, especially in the millennial generation. This change has caused fast-food restaurants to compete in improving services by providing additional facilities to meet the needs of the current generation of Millenials.

In previous studies, there has been no discussion regarding the procurement of coworking specifically at fast food restaurant facilities. However, there were quite a lot of discussions related to the digital generation, fast food restaurants, and coworking space. Among them is a discussion by Morriset about the emergence of coworking

space as a new form of the workspace that is a container for the creative economy, in the context of a larger environment, which is intended to be an acceleration and create a creative city [1]. This discussion used as a reference to the importance of adding work facilities to a fast-food restaurant. Y, Pinandito et al., Reviewed the adaptive change of heritage buildings into a form of galleries and restaurants that are tailored to the design of facilities in accordance with the needs and character of the millennial generation. [2]. This discussion used as a reference coworking space design needed at this time in a restaurant facility. Nezakati, H, et al, in his article discussed the factors that influence consumer loyalty to a fast food restaurant facility [3].

This discussion used as a reference because it found that the atmosphere of the space including the facilities in it can affect a customer's loyalty. Harrington, RJ, et al research on restaurant attributes that are key to the success of the restaurant business. And the results of this study the atmosphere and interior design of the restaurant are attributes that fall into quite important categories [4]. This discussion can be used as a reference regarding the coworking space atmosphere that suits the needs and tastes of consumers. Manifesty and Afif (2018) presented the results of their study of the development of new social spaces for the younger generation, known as coworking space, specifically in the Yogyakarta region. In his article discussed the development of young people's social space from the 1980s to the 2010s [5].

Technological developments, known as digital developments, have led to a new generation that has caused the phenomenon of lifestyle transformation and changed the way we move, work, eat, drink, play, even the way we learn. This has led to the emergence of public facilities that are trying to adapt to meet the needs of this generation. One of the facilities that have changed is the fast-food restaurant [6] This article will discuss the background of changing space requirements in fast food restaurants, which are based on lifestyle, activities, and facility needs of consumers in the millennial era, one of which is the need for coworking space, and find out what the needs of users in the area this.

This discussion will be useful for the next research related to space optimization suggestions in designing fast-food restaurants, which use the concept of space that combines dining facilities and coworking space facilities.

**II. METHODS**

This article discussed the phenomenon of functional shifting in fast-food restaurants, examined through a literature review relating to strategy and market segments in fast food facilities, characteristics of the current millennial generation that relate to coworking needs in the fast-food restaurant facility area.

The chosen restaurant is a fast food restaurant that has changed the concept of facility design, which previously conceptualized a conventional fast food restaurant into a fast restaurant that adds another function, namely the coworking space area. Fast food restaurant brands taken are RICHESSE Factory and Mc Donalds in Bandung, especially those located in the middle of the city and close to the campus area, as representatives of fast-food restaurants that have undergone a recent concept change. The discussion will be equipped with the results of field survey data

**III. RESULTS AND DISCUSSION**

Business competition and increasing consumer interest in utilizing fast-food restaurant services are becoming the current trend. So that each fast-food restaurant entrepreneur seeks to compete with each other, through various means such as exposure to mass media and information technology. This business competition causes each fast food restaurant to have to put more effort and be more sensitive to this changing trend, in a more creative and innovative way and also ready to change according to the wants and needs of the market, to avoid losing potential and existing customers in the future[3].

One of the ways restaurants deal with this trend is not only through advertising and information technology, but also by using space designs that suit their target market needs. Store environment design is one of the factors that can affect customer loyalty. Nezakati, H explained that in her research it was found that the store environment design had a significant influence on the loyalty of fast food restaurant consumers[3]. This relates to the completeness of functional facilities and environmental aesthetics.

There are several related studies that have been conducted with customer satisfaction associated with space atmosphere, service work quality, and food quality, such as a study conducted by Sulek and Hensley in 2004 in [4] found the results that customer satisfaction in the restaurant industry is very important and critical. In this study, it is proven that 90% of consumers identified as dissatisfied with a restaurant will not return to the restaurant, so the level of customer satisfaction with a restaurant will have an impact on the progress and sustainability of the restaurant. In addition, Harrington et al. Stated in their writings that the atmospheric space and interior design is one of the most important components in a restaurant, which either directly or indirectly can influence consumer interest to come to the restaurant.[4]. While Ryu, K, and Han, H (2010) explained about the phenomenon that occurs in fast food restaurants or quick-service restaurants, that the physical environment of a restaurant is one of the factors that can consider customer satisfaction and behavioral intention, in addition to two other factors namely food and service. The findings of this study are to provide guidelines for restaurant owners on how to improve customer satisfaction and behavioral intention levels [7]

Changing times and technology into the digital era is one of the factors that cause changes and dynamics in the interests, ways, and behavior of consumers in choosing a restaurant. The emergence of the millennial generation that is inseparable from gadgets and the internet is a behavior that emerged about ten years back. This caused several fast-food restaurants to start changing the concept of their facilities, from the conventional fast food concept to the fast food concept which is more in line with the consumers' dynamism. Especially consumers of the millennial generation. Simpson (2003) states that consumers are now requiring an experience: a dining experience that goes beyond the food, but becomes something inherently dynamic and social[8], this also occurs not only in cafes but in fast food restaurants.

The millennial generation is a generation that lives in the digital age, in their daily lives they cannot be separated from gadgets. Life in the digital age has also greatly changed the nature and character of the way millennials work. Howell and Bingham stated that the millennial generation had a special character at work. Alshop (2008) states that in the character of work, when compared to previous generations, the millennial generation prefers to work autonomy, likes a relaxed work environment, has a great desire to have flexible time, and likes to determine work policies, such as being free to choose places and time as long as they still meet the criteria [9].

The character of the work is what causes the rapid growth of coworking space facilities everywhere. Coworking space not only emerged as a joint office rental business, but appeared in various public facilities such as public libraries, cafes, train stations, airports, and even city parks, and now it appears in fast food facilities, which initially only provide dining facilities but now for the sake of following the dynamics of the changing times and the character of its consumers, finally providing a working area in the dining area of visitors. It turns out that this phenomenon does not only occur in Indonesia but also throughout the world. The existence of coworking space in all forms of concepts has become one of the millennial work needs. The development of the existence of global coworking space can be seen in Fig 1.

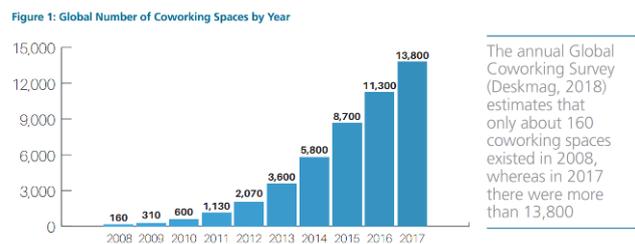


Fig. 1. Global Number of Coworking Spaces by Year From Deskmag 2018

Forms of coworking space also vary, some do focus on rented coworking space, some combine with cafes and libraries, but most recently this coworking space has appeared in public areas free of charge such as train stations, shopping malls, and also at fast food restaurant facilities. Through research in Japan, Uda, T and Abe, T found that from 54 verified coworking spaces at the time of the study could be grouped into five categories: 1) independent type (48%), 2) bar/cafe type (17%), 3) shared office type (17%), 4) corporate in-house type (5%), and 5) other (13%), based on their characteristics [10].

Osnowit (2010) in Gandini stated that currently, digital developments have given birth to a new generation that has a different work character than the previous generation, and is more interested in casual, individual, and project-based work [11] so that with this new work character, the young generation is currently using a lot of time in public work areas to find a more casual and fresher work environment, replacing work space at home or in the office. Coworking space is a shared workplace used by various professionals, mostly freelancers, practically coworking space is understood as a rented workspace, equipped with facilities such as desks and wifi, to support work routines [11] but coworking that is not rented and is in a public place is more in demand not only by professionals but also by students and school students, to do group or individual assignments. Howell and Bingham, stated in their article that Coworking spaces generally market themselves as a place where people "work alone, together"[9].

An American sociologist Oldenburg at Moriset stating that coworking space is "third place". This is to describe places outside the home and office, where they become a place for people to socialize informally and freely without certain space restrictions, without seeing the hierarchy of each other. Oldenburg stated that the place was irreplaceable in the city layout. Cafes, such as Starbucks, Fast food restaurants like Mc Donalds, airports, stations, are examples of "third places" that have a quirk. A third place, what is meant is the space between work and home[1].

The existence of the coworking area in the café is nothing new, beginning with the availability of Wifi, so people can take advantage of this facility with their gadgets, then develop into a meeting place, and a place to do their work or work. In the end, consumers can use this facility for a long time while working. But incorporating the element of coworking space into a fast food restaurant is something that has only happened in the last two years.

But now there are several types of fast-food restaurants that provide co-working space, including Mc Donald and RICHESSE. Recently the two restaurants have undergone a major renovation that really changed their image. From the observations, the thing that really influences the renovation is that the position of this restaurant is usually close to the campus and school, so there is a development of the target consumers there.

For Mc Donalds, to overcome this need began to provide spaces with a table that has a socket, internet access, and also Mc Café. Mc Donald's company states that this is Mc Donald's re-imaging, they made quite a large-scale and risky change because they had to try to change the paradigm about Mc Donalds which had been embedded for decades. This is done to overcome changes in society and also changes in technology and information. Holding a new area, which is categorized as a coworking space and café area, is one of the changes.

This will change the paradigm of conventional fast-food restaurants, which provide fast service, serve quickly and also in general consumers also only aim to eat it so it does not require a long time when in a restaurant. Even most people just take it away. Fast food restaurant is also known as Quick Service Restaurant (QSR), which is one type of restaurant that serves fast food and has a minimal service table. This change

also occurred at the RICHESSE Factory, in the past year, for several RICHESSE outlets a massive change was made in the interior design. They added the coworking space for consumers' dining areas. So with this facility, consumers can use it to work on laptops can be seen in Fig 2.



Fig. 2. Example Coworking Space RICHESSE Factory Area (Bandung)

In Fig 2, it can be seen one spot coworking space in RICHESSE Factory, with tables facing each other, this concept can allow communication between consumers. While there is Fig 3, has a different design, shaped like a bar table with a bar stool and facing the wall or window.



Fig. 3. The Example of Area Coworking Space RICHESSE Factory (Bandung)

In coworking space facilities that have been provided, consumers can work activities there. Doing college work or work, of course, requires a longer time than eating and drinking. So the concept of coworking space is usually not applied to the area of fine dining restaurants, but rather to cafes or casual restaurants. Even before, not many people applied the combination of restaurant with coworking space in fast food restaurants.

When viewed from its history both types of fast food restaurants have a market segment of all ages, from the age of children, adolescents, adults, and the target is the family. However, the development of the era and supported by the location caused a shift in the main target of the RICHESSE Factory and Mc Donalds consumer targets, namely becoming adolescents and early adulthood. Adolescence and early adulthood at this time belong to the millennial generation which has a special character. This generation came to fast food restaurants especially RICHESSE and Mc Donald not only

to eat but also to do other activities such as hanging out and finally doing some work.

Providing coworking space in fast food restaurants is one of the restaurant's strategies to attract the attention of millennials and also adapt to the demands of their needs, lifestyles, and interests. However, by providing a coworking space area, proper layout settings are needed so that no space conflicts occur.

According to Manifesty and Afif, there are some elements that change when there is a change from conventional dining and dining areas to other forms such as coworking space, including 1) changes in the overall layout arrangement, which was simple to become more complex and broader in general, 2) Changes in seating arrangements, including orientation and type, 3) There is a separation between noisy and quiet spaces, 4) Changes in ambiances and the atmosphere of the room.[5] The complexity of the changes that occur, can be taken into consideration for designing a fast food restaurant, which has an additional concept of integrating with coworking space. This will be useful to be a reference for further research.

#### IV. CONCLUSION

There has been a change in marketing targets at fast food restaurants, specifically for the Richesse and Mc Donald brands, which previously targeted the family as a target market, now the younger generation is being added as the millennial generation as their marketing target. The emergence of this generation as one of the targets that led to this fast-food restaurant trying to create several marketing strategies, one of which is by adding new facilities namely the shared workspace area, which in the future has become one of the special needs for youth to work together with friends or to work alone. The study obtained from this research can be used as a reference and optimization of coworking room design that is applied in the fast food restaurant area.

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