

패밀리레스토랑의 서비스 접점이 고객 가치 및 행동의도에 미치는 영향

정효선 · 윤혜현[†]

경희대학교 조리·서비스경영학과

The Effects of Service Encounters in a Family Restaurant on Customer Value and Behavioral Intent

Hyo Sun Jung and Hye Hyun Yoon[†]

Dept. Culinary Service Management, Kyung Hee University

Abstract

This study was undertaken to understand the interrelationships among customer's perceptions of service encounters, customer value, and behavioral intent in a family restaurant. Based on 331 samples obtained from empirical research, we reviewed the reliability and fitness of a research model and verified three hypotheses using a structural equation model. The results showed that physical environment ($\beta = .418$) and a customer interaction with the service provider ($\beta = .265$) had a significant effect on the customer's hedonic value. Additionally, physical environment ($\beta = .126$) and customer interaction with service providers ($\beta = .264$) had a significant effect on customer utilitarian value. Customer's hedonic ($\beta = .538$) and utilitarian value ($\beta = .382$) triggered by service encounters had a significant effect on their behavioral intent. Limitations and future research directions are discussed.

Key words : service encounter, customer value, behavioral intent, customer, family restaurant

1. Introduction

Service encounter factors are the personal impressions that goods or services provided by a company or the company itself have on the customer (Poulsson SHG and Kale SH 2004). Therefore, a company can examine diverse service encounter factors and use them as basic information to determine customer preferences, and managers can then apply this information to improve service (Keng CJ et al. 2007). Therefore, in a restaurant, service encounter factors recognized by customers act as a competition advantage;

thus, maintaining good service encounters is very important for affecting favorable responses by customers (Heskett JL et al. 2004). Studies on service encounters have focused on interactions between customers and employees (Fisk RP et al. 1993); those studies considered only two persons in opposite positions and that their interactions are involved in service encounters (Bitner MJ et al. 1994). However, Shostack GL (1984) defined a service encounter as all technical contacts, meaning the physical environment as well as face-to-face interactions, and noted that interactions with impersonal physical environments can occur in service encounters, even without face-to-face contacts. Lovelock CH and Wirtz J (2004), and Wu CHJ and Liang RD (2009) also suggested that customer behavior can be influenced by impersonal factors as well as by their personal interactions with employees. Many studies (Cox AD et al. 2003; Coye RW 2004; Shieh KF and Cheng MS 2007; Grace D 2009) have concluded that the diverse factors customers experience during service encounters

[†]Corresponding author: Hye Hyun Yoon, Department of Culinary Service Management, Kyung Hee University, 1 Hoeigi-dong, Dongdaemoon-gu, Seoul 130-701, Korea
Tel: +82-02-961-9403
Fax: +82-02-964-2537
E-mail: hhyun@khu.ac.kr

play a very important role in their purchase decision making, and their appraisal of the services received is a clue of their evaluation of the service provided by the company as a whole. In particular, studies on service marketing indicate that service encounter factors are the most important antecedent variables affecting customer evaluation of service performance (Brown SW and Swartz TA 1989), and that these service encounter factors are the most primary basis for customer satisfaction (Soderlund M and Rosengren S 2010). It is evident that the restaurant industry is a representative service industry, as customers spend an extended period of time in restaurants, during which time the service encounter factors customers experience greatly affect their satisfaction (Walczak D and Reuter M 2004; Wu CHJ and Liang RD 2009). Therefore, service encounter factors positively recognized by customers are an advantage to a restaurant from a competitive perspective, and maintaining and managing a high level of service is very important for managers and affects positive responses by customers. Various studies have been carried out on service quality and physical environment as sub-factors of service encounter factors. However, few studies have been conducted recognizing all service encounter factors for the quality of service provided by employees with regard to customers, the physical environment of the restaurant, and customer interactions with other customers. The purposes of this study were to (1) examine the influence of customer perceptions of service encounter factors in a family restaurant on customer value and behavioral intent; (2) examine the direct and indirect effects of service encounter factors on customer value and behavioral intent.

Literature review and conceptual model

Service encounter factor

Service encounter factors include a company's provision of services and the service experience of customers (Bitner MJ et al. 1997), which play a role influencing customer image of the company (Grove SJ et al. 1998). Service encounter factors are defined as impressions customers have for the goods and services of the company (Poulsson SHG and Kale SH 2004). Therefore, service encounters are the basis for making an overall judgment about a company, based on the results of services provided. In service marketing, service encounter factors act as the most crucial factor for distinguishing services and evaluating their quality (Wu CHJ 2007). This is because service encounter factors start with face-to-face contact between employees and customers, and such interpersonal exchanges greatly influence

customer satisfaction (Solomon MR et al. 1985). Personal interaction accounts for a large number of studies on service encounters (Gil I et al. 2008), and most studies have divided service encounter factors into customer interactions with employees or the physical environment (Harris R et al. 2003). Yet, Bitner MJ et al. (1997) reported that service encounters are customer appraisals of how the service is provided by a company including their interactions with other customers, and Martin CL and Pranter CA (1991) noted that the relationships between customers is as important as the relationship between a company and its employees, between its employees and the customers, and among employees themselves. This is because customers have continuous interactions with other customers as part of the environment and such relationships play a crucial role in their satisfaction and experience regarding their evaluation of a company (Wu CHJ 2007; Miao L et al. 2011). Lovelock CH and Wirtz J (2004) and Wu CHJ and Liang RD (2009) also divided service encounter factors into various interactions between customers: those between customers and employees, and those between customers and their internal and external environments. Thus, the present study also divided factors occurring during service encounters into physical environment, customer interactions with employees, and customer interactions with other customers. Bitner MJ and Brown SW (2000) concluded that service encounter factors have a significant effect on customer satisfaction, loyalty, intent to repurchase, and mouth-to-mouth advertisement, because personal service interactions and complicated interactions with the entire environment, such as design, decorations, and music occur during service encounters (Cox AD et al. 2003; Coyle RW 2004). Keng CJ et al. (2007) examined how service encounter factors have a significant effect on customer behavioral intent, and Shieh KF and Cheng MS (2007) studied the positive causation between user experiences during service encounters and their satisfaction. Grace D (2009) reported that a service provider's service quality has a significant effect on customer repatronage intent. Wu CHJ and Liang RD (2009) noted that service encounters have a significant effect on customer experiential values and satisfaction. Soderlund M and Rosengren S (2010) stated that the expressed emotion of employees during a service encounter influences service quality and that this leads to a positive change in customer satisfaction. Other research considered only interactions with other customers during service encounters. Soderlund M (2011) reported that customers had a positive influence on customer evaluation in a corresponding retail shop. Miao L et al. (2011) suggested that customer-to-customer interactions influence customer emotion and that this influences service satisfaction. Brocato ED et al. (2012) reported that other

customers during a service encounter significantly influence satisfaction with the corresponding company or by word-of-mouth intent.

Model development and hypotheses

Relationship between service encounters and customer value

In a study on the first service encounter factor, physical environment and customer value, Baker J (1987) says stated that the physical environment of a shopping mall, such as wiring, interior design, and music, positively affects customer value, and Cox AD et al. (2003) found that customer value is recreated by the physical environments of a store. Keng CJ et al. (2007) stated that physical environment among service encounter factors has a significant effect on customer experience, particularly hedonic value such as pleasure and excitement, and Wu CHJ and Liang RD (2009) concluded that the physical environment of a hotel restaurant positively influences customer value. Based on studies on service encounters and customer value, study assumed that service encounter factors in a family restaurant will have both hedonic and utilitarian effects on customer value, and the following hypotheses were developed:

H1a: The physical environment will positively influence customer hedonic value.

H2a: The physical environment will positively influence customer utilitarian value.

Regarding studies on the customer interactions with service-providing employees and customer experiential value, Zeithaml VA (1988) indicated that customer trust and confidence toward service providers has a positive effect on customer value. Baker J et al. (2002) reported that favorable and kind employees are closely related with customer value, and Keng CJ et al. (2007) determined that customer personal relationships with service providers have a significant effect on customer value. Gil I et al. (2008) also noted that diverse events occurring during service encounters through customer interactions with service providers have a significant effect on customer value, including utilitarian and hedonic value.

H1b: A customer's interaction with a service provider will positively influence customer hedonic value.

H2b: A customer's interaction with a service provider will positively influence customer utilitarian value.

In studies on the third service encounter factor, customers' interaction with other customers and their value, Baker J and Cameron M (1996) and Brocato ED and Kleiser SB (2005) concluded that customer interactions with other

customers affects their value and satisfaction, and Wu CHJ and Liang RD (2009) stated that customer interactions with other customers as a service encounter factor positively influences their perceived value.

H1c: A customer's interaction with other customers will positively influence customer hedonic value.

H2c: A customer's interaction with other customers will positively influence customer utilitarian value.

Relationship between customer value and behavioral intent

Regarding studies on customer value and their behavioral intent, Bloch PH (1995) reported that the value positively recognized by customers plays an important role in their future use of that service, whereas Mathwick C et al. (2001) looked at the significantly meaningful relationship between customer experiential value and behavioral intent. Stole L et al. (2004) noted that customer favorable value triggers their positive mouth-to-mouth advertisement and behavioral intent. Babin BJ et al. (1994) also determined that both utilitarian and hedonic values have a significant effect on customer intent to revisit, and O' Curry S and Strahilevitz M (2001) suggested that hedonic and utilitarian values have a positive effect on customer intent to advertise mouth-to-mouth, with hedonic value being more influential among them. This is because compared with utilitarian goods, hedonic goods increase customer expectations for pleasure, as well as their consumption of pleasure. A customer's pleasant experiences dominate their memory for a long time; thus, hedonic value has a greater influence on their intent for mouth-to-mouth advertisements for future shopping (Shiv B and Huber J 2000). In addition, Jones MA et al. (2006) stated that shopper's hedonic and utilitarian values have a significant effect on their intent for mouth-to-mouth advertisement, revisits, and recommendations, and Ha JY and Jang SC (2010) reported that customer hedonic and utilitarian values in a restaurant significantly affect their behavioral intent. These arguments lead to the establishment of the following hypotheses:

H3a: A customer's hedonic value will positively influence a customer's behavioral intent.

H3b: A customer's utilitarian value will positively influence a customer's behavioral intent.

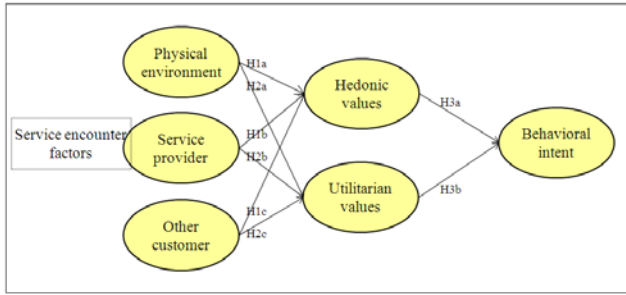


Figure 1 depicts the conceptual model for this study. It shows how customer perceptions of service encounter factors affect customer value and behavioral intent.

Research Methodology

Sample and data collection

Data were collected from customers in family restaurants in Seoul, Korea in 2010. We designed a study based on a personal survey of family restaurant customers. Five ranked family restaurants were chosen in terms of sales in 2009 (e.g., Bennigans, Marche, Outback Steakhouse, TGIF, and Vips). A pilot test using 50 customers at family restaurants was conducted to ensure the reliability of the scales, and several modifications were made based on feedback from the pilot test, including measurement items that were difficult for respondents to understand, corrected words, or contexts for the corresponding measurement items. The final questionnaire instrument included 33 items divided into four parts. Data collection was carried out from January 2–31, 2010. A total of 700 questionnaires were distributed to visitors of these family restaurants. After eliminating unusable responses among the completed questionnaires, 331 responses were coded for data analysis (47.20% response rate).

Instrument development

Multiple items scales were used to measure each construct in this study. The survey instrument was comprised of four parts. The first three parts pertained to service encounter factors, customer value, and behavioral intent. Part four contained questions about participant demographic information (e.g., gender, age, education level and visiting frequency per month). The definition of service encounter factors was what customers experience when they received a service, and the impressions they developed towards the product, service, or the relevant company (Pine BJ and Gilmore JH 1999; Poulsson SHG and Kale SH 2004). Service encounter factors

are typically divided into three categories: physical environment (Bitner MJ 1992), the service provider (Andaleeb SS and Conway C 2006), and other customers (Baker J et al. 2002). To measure customer perceptions of service encounter factors in a family restaurant, we adapted the multi-item scales of Keng CJ et al. (2007) and Wu CHJ and Liang RD (2009) and modified them to fit the study settings. Service encounter was measured with 17 items using a 7-point scale: “How much do you agree or disagree with these statements?” (1: strongly disagree to 7: strongly agree). Customer value included the evaluations they experienced during service encounters, and they were divided into utilitarian value while obtaining products or their functional benefits, and the hedonic value that customers place on pleasure and fun (Babin BJ et al. 1994; Sherry 1990). We examined hedonic and utilitarian dimensions of customer value (Babin BJ et al. 1994): Customer value was measured using eight items on a 7-point scale (1: strongly disagree to 7: strongly agree) based on Babin BJ et al. (1994), Griffin M et al. (2000), Jones MA et al.(2006), and Ha JY and Jang SC (2010). Behavioral intent is a customer’s general intent that leads to their actual behavior and makes it possible to predict their behavior (Fishbein M and Ajzen I 1975). This includes their intent for a recommendation (Reichheld F and Sasser JrWE 1990), mouth-to-mouth advertisements (Sirohi N et al. 1998), and voluntarily remaining a customer (Dick AS and Basu K 1994). Behavioral intent was measured by four items on a 7-point scale (1: strongly disagree to 7: strongly agree) based on Dick AS and Basu K (1994), Reichheld F and Sasser JrWE (1990), and Sirohi N et al.(1998).

Data analysis

Descriptive statistics were performed to profile the respondent’s demographic questions. An exploratory factor analysis utilizing 29 questions was carried out, and a reliability analysis was performed based on the divided factors. Following the two-step approach recommended by Anderson JC and Gerbing DW (1988), a confirmatory factor analysis (CFA) with maximum likelihood was first performed to estimate the measurement model, which determined whether the manifest variables reflected the hypothesized latent variables. Once the measure was validated, a structural equation model (SEM) was utilized to test the validity of the proposed model and hypotheses.

Results

Descriptive statistics of sample

The demographic characteristics of the sample are presented in Table 1. Respondents consisted of 41.9% males

and 58.1% females. Approximately 47% of the respondents were 20–29 years old, 34.7% were 30–39, and 18.4% were 40 years or older. The majority of the respondents (46.0%) were highly educated, holding at least a university degree. A large majority (45.7%) of respondents visited a family restaurant 2–3 times per month.

Table 1 Demographic characteristics of sample (n=331)

Characteristics		N	%
Gender	Male	139	41.9
	Female	192	58.1
Age	20~29	155	46.9
	30~39	115	34.7
	40~	61	18.4
Education Level	~College	110	33.2
	University	152	46.0
	Graduate School	69	20.8
Visiting frequency in a month	1	180	54.3
	2~3	96	29.0
	4~	55	16.7

Table 2 presents the means and standard deviations of each item in relation to the constructs of interest: service encounter factors, customer value, and behavioral intent. The mean value of each item under service encounter factors ranged from 2.81 to 4.66 on the 7-point scale. Respondents ranked “This restaurant’s architecture is impressive (4.66 ± 1.26)” as the highest business ethical value attribute, followed by “Overall, the layout makes it easy to get around (4.61 ± 1.41).” Respondents ranked “The service provider tried eagerly to solve my problem (4.58 ± 1.28)” as the least well performed service encounter factor. Participants showed a moderate level of customer value, ranging from 3.48 to 4.21 on the 7-point scale. Respondents showed the highest value for the attribute, “In other restaurants I would have experienced what I wanted, but I am disappointed because in this restaurant I did not (utilitarian value, 4.21 ± 1.52)” and “This restaurant experience was truly a joy (hedonic value, 4.09 ± 1.31)”, “I would like to come back to this restaurant in the future (4.64 ± 1.44)” was the highest for behavioral intent among the four attributes.

Measurement model

To verify the unidimensionality, reliability, and validity of the factors measured, they were evaluated in terms of three aspects before measuring the SEM, and to this end,

exploratory factor, confirmatory factor and reliability analyses were performed. As a result of the exploratory factor analysis on 29 questions, including 17 questions on service encounter factors, eight questions on customer value, and four questions on behavioral intent, six factors (Eigen value ≥ 1) were derived with a degree of fit of 77.834% (Table 3).

Following the two-step approach of Anderson JC and Gerbing DW (1988), a CFA was undertaken to assess the overall fit of the six-factor model, which was comprised of service encounter factors, customers value, and behavioral intent. Based on the CFA results, we analyzed convergent validity, discriminant validity, and reliability of all multi-items, following guidelines from previous research (Anderson JC and Gerbing DW 1988; Fornell C and Larcker DF 1981; Nunnally JC 1978). The measurement properties are reported in Table 4.

As shown in Table 3, the level for internal consistency in each construct was acceptable with Cronbach’s alpha estimates of .917–.945 (Nunnally JC 1978). Composite construct reliability estimates of .847–.887 above the recommended cutoff of .60 (Fornell C and Larcker DF 1981), were considered acceptable. Convergent validity was observed, as all confirmatory factor loadings exceeded .70 and were significant at the alpha level of .001 (Anderson JC and Gerbing DW 1988). Thus, these results were evidence of the convergent validity of the measures. Discriminant validity was assessed by comparing the average variance extracted with the squared correlation between constructs. Discriminant validity was evident as the variance extracted estimates ranging from .637 to .786 and exceeded all squared correlations for each pair of constructs, ranging from .001 to .341. These results suggested that the six-factors were distinct and unidimensional. The χ^2 fit statistics showed 649.335 with 360 degrees of freedom (df) ($p < .001$; $\chi^2/df=1.804$). The root mean squares error approximation (RMSEA) was .049, which was less than the recommended .08 threshold. The comparative fit index (CFI = .965) and the normal fit index (NFI = .923) values exceeded the recommended .90. All statistics supported the overall, satisfactory measurement quality given the number of indicators.

Table 5 illustrates the intercorrelations among the six constructs. An assessment of the bivariate correlations showed that the items used to measure physical environment and service providers among service encounter factors were positively related to the items associated with customer value and behavioral intent. Additionally, items associated with other customers among service encounter factors were negatively related to customer value and behavioral intent.

Table 2 Descriptive statistics of variables

Variables ^a		Mean±SD
Service provider		4.40±1.07
SE ₁	The service provider understood what I want	4.48±1.27
SE ₂	The service provider was very attractive to me	4.36±1.16
SE ₃	The service provider offered good advice	4.31±1.24
SE ₄	The service provider tried eagerly to solve my problem	4.58±1.28
SE ₅	The service provider seemed reliable	4.27±1.33
SE ₆	The service provider listened to me carefully	4.42±1.32
Physical environment		4.49±1.11
SE ₇	This restaurant is decorated in an attractive way	4.51±1.34
SE ₈	Overall, the layout makes it easy to get around	4.61±1.41
SE ₉	The interior wall and floor color schemes are attractive	4.46±1.30
SE ₁₀	The overall design of this restaurant is interesting	4.29±1.31
SE ₁₁	This restaurant environment is clean	4.41±1.28
SE ₁₂	This restaurant's architecture is impressive	4.66±1.26
Other customer		3.14±1.37
SE ₁₃	Other dining customers are loud	3.38±1.51
SE ₁₄	Other dining customers behave rudely	3.31±1.44
SE ₁₅	Other dining customers hit the table	3.05±1.49
SE ₁₆	Other dining customers enjoy drinking noisily	2.81±1.58
SE ₁₇	Young children move around nosily and rudely in this restaurant	3.17±1.51
Hedonic value		3.90±1.22
HV ₁	This restaurant experience was truly a joy	4.09±1.31
HV ₂	Compared to other things, I could have done, the time spent this restaurant was truly enjoyable	4.07±1.31
HV ₃	I enjoy this restaurant for more than just eating food	3.93±1.37
HV ₄	My experience in this restaurant excites me	3.48±1.44
Utilitarian value		3.87±1.26
UV ₁	I accomplished just what I wanted to in this restaurant	3.93±1.39
UV ₂	I couldn't buy what I really needed (reversed)	3.75±1.36
UV ₃	The prices of food sold in this restaurant are very reasonable	3.68±1.37
UV ₄	In other restaurants I would have experienced what I wanted, but I am disappointed because in this restaurant I did not	4.21±1.52
Behavioral intent		4.06±1.39
BI ₁	I would like to come back to this restaurant in the future	4.64±1.44
BI ₂	This restaurant would be my first choice over other restaurants	3.67±1.63
BI ₃	I would recommend this restaurant to my friends or others	3.81±1.58
BI ₄	I would say positive things about this restaurant to others	4.11±1.52

Note: SD = Standard Deviation

^aAll items were measured on a 7-point Likert scale from 1-strongly disagree to 7-strongly agree

Table 3 Exploratory factor analysis

Construct	Communalities	Factor loadings					
		Factor1 Physical environment	Factor 2 Service provider	Factor 3 Other customer	Factor 4 Utilitarian value	Factor 5 Behavioral intent	Factor 6 Hedonic value
SE ₁	.724	.089	.832	-.002	.057	-.005	.144
SE ₂	.728	.010	.834	.025	.062	.110	.070
SE ₃	.699	.135	.810	.019	.071	.135	-.007
SE ₄	.680	.168	.787	-.105	.106	.069	.079
SE ₅	.705	.100	.798	.042	.127	.080	.183
SE ₆	.785	.100	.847	.034	.143	.095	.161
SE ₇	.720	.817	.099	.073	.030	.103	.160
SE ₈	.736	.841	.066	.015	-.047	.109	.097
SE ₉	.740	.839	.088	.025	.004	.115	.117
SE ₁₀	.702	.797	.139	-.046	.063	.059	.195
SE ₁₁	.706	.805	.148	-.024	.109	.061	.141
SE ₁₂	.715	.785	.175	-.105	.159	.096	.149
SE ₁₃	.842	.009	.036	.916	-.020	-.027	-.010
SE ₁₄	.848	-.049	.031	.915	-.025	-.078	-.008
SE ₁₅	.841	-.011	.005	.915	-.046	-.041	-.017
SE ₁₆	.848	-.027	-.047	.917	-.039	-.047	-.016
SE ₁₇	.775	.032	-.012	.879	.020	-.021	-.032
HV ₁	.804	.247	.194	-.058	.115	.291	.777
HV ₂	.845	.213	.215	-.058	.104	.277	.816
HV ₃	.823	.230	.177	-.051	.109	.233	.819
HV ₄	.771	.240	.084	-.060	.016	.182	.818
UV ₁	.866	.031	.164	-.017	.899	.154	.077
UV ₂	.838	.108	.072	-.004	.871	.235	.085
UV ₃	.785	.058	.112	-.022	.840	.230	.100
UV ₄	.758	.049	.149	-.055	.847	.106	.025
BI ₁	.744	.149	.150	-.135	.290	.721	.279
BI ₂	.814	.144	.097	-.055	.163	.850	.181
BI ₃	.871	.105	.136	-.026	.188	.855	.273
BI ₄	.858	.175	.126	-.058	.281	.810	.272
Eigen value		8.935	4.230	3.236	2.943	2.076	1.152
Variance		30.809	14.588	11.160	10.148	7.157	3.972

Note: Total Cumulative=77.834%

Table 4 Reliabilities and confirmatory factor analysis

Construct	Standardized loadings	t-value	CCRa	AVE	Cronbach's alpha
Physical environment			.856	.637	.918
SE ₇	.785	fixed			
SE ₈	.751	14,408 ^{***}			
SE ₉	.772	14,892 ^{***}			
SE ₁₀	.825	16,210 ^{***}			
SE ₁₁	.831	16,349 ^{***}			
SE ₁₂	.826	16,164 ^{***}			
Service provider			.870	.641	.918
SE ₁	.816	fixed			
SE ₂	.829	17,211 ^{***}			
SE ₃	.790	16,100 ^{***}			
SE ₄	.774	15,679 ^{***}			
SE ₅	.762	15,228 ^{***}			
SE ₆	.833	17,279 ^{***}			
Other customer			.887	.786	.948
SE ₁₃	.898	fixed			
SE ₁₄	.906	25,646 ^{***}			
SE ₁₅	.900	25,279 ^{***}			
SE ₁₆	.895	24,919 ^{***}			
SE ₁₇	.835	21,351 ^{***}			
Hedonic value			.857	.740	.917
HV1	.877	fixed			
HV2	.917	23,940 ^{***}			
HV3	.863	21,355 ^{***}			
HV4	.781	17,843 ^{***}			
Utilitarian value			.852	.747	.919
UV ₁	.911	fixed			
UV ₂	.898	24,716 ^{***}			
UV ₃	.853	22,188 ^{***}			
UV ₄	.792	19,140 ^{***}			
Behavioral intent			.847	.768	.924
BI ₁	.824	fixed			
BI ₂	.773	16,522 ^{***}			
BI ₃	.952	22,999 ^{***}			
BI ₄	.945	22,733 ^{***}			

Note : ^a CCR=composite construct reliability ; AVE=average variance extracted; $\chi^2=649,335(df 360)$ $p(<.001)$; $\chi^2/df=1.804$; GFI=.879; NFI=.923; TLI=.959; CFI=.964; IFI=.964; RMSEA=.049

Table 5 Correlations estimates

	1	2	3	4	5	6
1. Physical environment	1.00					
2. Service provider	.307**	1.00				
3. Other customer	-.030	-.007	1.00			
4. Hedonic value	.464**	.365**	-.062	1.00		
5. Utilitarian value	.178**	.283**	-.064	.262**	1.00	
6. Behavioral intent	.333**	.306**	-.128**	.584**	.475**	1.00

Note: All correlations are significant at $p < .01$ (2-tailed) except to the other customer.

SEM

SEM was conducted to test the validity of the proposed model and hypotheses. Figure 2 presents the estimated model, illustrating the direction and magnitude of the impact of the standardized path coefficients. The chi-square statistic indicated that the overall model did not fit the data well (χ^2 (df=308)=609.653, $p < .001$). Given the sensitivity of the chi-square statistics to sample size (Benlter PM and Bonett DG 1980; Hair JF Jr et al. 2006), other fit indexes were also examined. First, normed chi-square (χ^2 /degrees of freedom) reduces the sensitivity of the chi-square statistic. The value of the normed chi-square was 1.689, which was below the

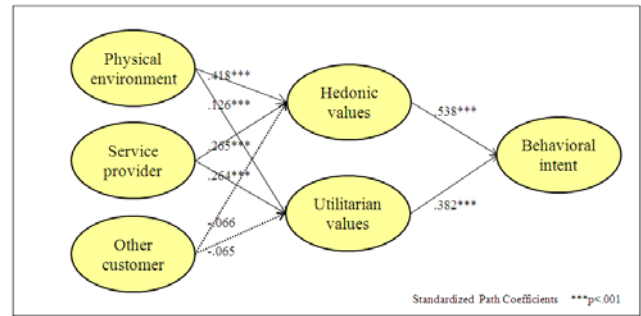


Figure 2 Structural equation model with parameter estimates

cut-off criterion of 3.0 (Hair JF Jr et al. 2006), and showed that the model fit the data well. Other goodness-of-fit indices showed that the structural model reasonably fit the data (GFI = .886; NFI = .928; CFI = .969; RMSEA = .046), thus the model's fit was deemed satisfactory, and it provided a good basis for testing the hypotheses. The parameter estimates of the structural model exhibited the direct effects of one construct on the other. Thereby, a significant coefficient at a certain level of alpha a significant casual relationship between the latent constructs (Fig. 2, Table 6).

Hypothesis 1, which examined the effect service encounter factors had on hedonic value among customer value, was partially accepted. Physical environment ($\beta = .418$; $t = 7.277$; $p < .001$) and service provider ($\beta = .265$; $t = 4.722$; $p < .01$), among service encounter factors, had a significant

Table 6 Structural parameter estimates

Hypothesized path	Standardized coefficients	t-value	Results
H1 Service encounter → Hedonic value			
H1a Physical environment → Hedonic value	.418	7.277***	Supported
H1b Service provider → Hedonic value	.265	4.722***	Supported
H1c Other customer → Hedonic value	-.066	-1.314	Rejected
H2 Service encounter → Utilitarian value			
H2a Physical environment → Utilitarian value	.126	2.024*	Supported
H2b Service provider → Utilitarian value	.264	4.177***	Supported
H2c Other customer → Utilitarian value	-.065	-1.149	Rejected
H3 Customer value → Behavioral intent			
H3a Hedonic value → Behavioral intent	.538	10.601***	Supported
H3b Utilitarian value → Behavioral intent	.382	7.821***	Supported
Goodness-of-fit statistics	χ^2 (df=308)=609.653 (p<.001)		
	χ^2 /df=1.979		
	GFI=.886		
	NFI=.928		
	TLI=.965		
	CFI=.969		
	RMSEA=.046		

Note: *p<.05, **p<.01, ***p<.001

effect on customer hedonic value, whereas other customers ($\beta = -.066$; $t = -1.314$; $p > .05$) did not. Hypothesis 2 stated that service encounter factors had a significant effect on utilitarian value among customer value and, like hypothesis 1, physical environment and service providers had a significant effect on utilitarian value whereas other customers did not; thus, hypothesis 2 was also partially accepted. The rejected hypotheses (1c, 2c) are described in the Discussion. Customer hedonic value ($\beta = .538$; $t = 10.601$; $p < .001$) and utilitarian value ($\beta = .382$; $t = 7.821$; $p < .001$) had a significant effect on behavioral intent, so hypothesis 3 was accepted.

Direct and indirect effects

SEM has the advantage of calculating total effects based on direct and indirect effects that are not identified by existing regression analysis methods. Therefore, we examined the direct and indirect effects of service encounter factors on customer value and behavioral intent, and the results are shown in Table 7. We discovered that service encounter factors in family restaurants had both direct and indirect effects on customer value and behavioral intent. The factor of service encounter affecting behavioral intent, the final dependent variable, was indirectly affected by the physical environment ($\beta = .273$) and the service provider ($\beta = .243$). The physical environment was the most significant element determining customer behavioral response, which was a similar result with the effect of physical environment on customer hedonic value. The square multiple correlation, which specifies the casual relationship between endogenous and exogenous variables, demonstrated behavioral intent at a maximum of 51.0%.

Discussion

We divided family restaurant service encounter factors into physical environment, customer interactions with service providers, and their interactions with other customers, and examined how such service encounter factors affected customer value and behavioral intent. Among service encounter elements of domestic family restaurants, the element that was recognized most highly by customers was a service provider's effort to solve a customer problem. Customers were satisfied due to the impressive architectural style of the physical environment. These results suggest that there is a need to distinguish restaurants by developing an educational program to increasing service employee's responsiveness and by pursuing a characteristic architectural style for each shop rather than a uniform architecture for a family restaurant.

Physical environment and customer interactions with service providers had a significant effect on customer hedonic and utilitarian value, whereas interactions with other customers did not. This result was similar to the results of studies by Cox AD et al. (2003), Keng CJ et al. (2007), and Wu CHJ and Liang RD (2009) who found that the physical environment had a significant effect on customer value, which was similar to results by Baker J et al. (2002), Keng CJ et al. (2007), and Gil I et al. (2008), in that interactions between service providers and customers were closely related to customer value. Thus, favorable customer interactions with the physical environment and service provider lead to the perception that they received a positive service, ultimately leading to a positive feeling about the restaurant. In contrast, Baker J and Cameron M (1996), Brocato ED and Kleiser SB (2005), and Wu CHJ and Liang RD (2009) found that customer interaction with other customers had a significant effect, whereas we did

Table 7 Standardized direct, indirect, and total effects of construct

	Physical environment	Service provider	Other customer	Hedonic value	Utilitarian value
Total effect					
Hedonic value	.418	.265	-.066		
Utilitarian value	.126	.264	-.065		
Behavioral intent	.273	.243	-.060	.538	.382
Direct effect					
Hedonic value	.418	.265	-.066		
Utilitarian value	.126	.264	-.065		
Behavioral intent				.538	.382
Indirect effect					
Hedonic value					
Utilitarian value					
Behavioral intent	.273	.243	-.060		

Note: Square Multiple Correlation = Hedonic value (.330), Utilitarian value (.114), Behavioral intent (.510) * $p < .05$ ** $p < .01$ *** $p < .001$

not.

These results are judged to be accredited to what the discomfort caused by noise or movement, which originated from other customers, and does not have influence upon value of customers, who use restaurant, as the family restaurant, which is the subject of this study, is the relatively low and middle priced restaurant that can be used by all age groups. In contrast, in a study by Wu CHJ and Liang RD (2009), the research subject was a luxury restaurant. Thus, customer expectation level was probably higher than that at a general family restaurant. Accordingly, interactions with other customers is expected to have a significant influence on the value of the customer's experience. A restaurant's physical environment affected customer hedonic value more than their interactions with the service providers, whereas customer interactions with the service provider affected customer utilitarian value more than a restaurant's physical environment. This is because customer value, such as pleasure and excitement through the physical environment of the restaurant, and the hedonic value reflect entertainment and emotional value more than utilitarian value (Bloch PH and Richins ML 1983). Additionally, hedonic value, whose main focus is pleasure and fun through consumption, are closely related to a restaurant's physical environment. However, customers' interactions with service providers influence their utilitarian value more than the hedonic value, because utilitarian value has the purpose of obtaining excellent goods or services and is related to customer's desires and their satisfaction with the goods or services they have purchased (Hirschman EC and Holbrook NB 1982).

Customer hedonic and utilitarian value, triggered by service encounter factors, had a significant effect on their behavioral intent, a result similar to those of studies by Shiv B and Huber J (2000), O' Curry S and Strahilevitz M (2001), and Jones et al. MA (2006) who found that hedonic and utilitarian value of customers and their behavioral intent were closely relationship related. In particular, compared with the utilitarian value, hedonic value had a greater influence on customer behavioral intent; Sherry JF Jr (1990) discovered that customer hedonic value held a more important meaning for predicting their future behaviors regarding products and specific companies than utilitarian value, which focuses only on obtaining the desired products, and Ha JY and Jang SC (2010) noted that customer hedonic and utilitarian value in a restaurant has a significant effect on their behavioral intent, and that hedonic value has a greater effect.

Finally, the interaction between the service provider of the family restaurant and the physical environment of restaurant had an indirect influence on behavioral intent. However, the interaction with other customers did not have an indirect

influence on behavioral intent. This result was contrary to research by Soderlund M (2011), Miao L et al. (2011), and Brocato ED et al. (2012). However, these studies targeted general retail shops, not food-service companies, thereby they could guess the interaction with other customers, who visited restaurant in which the quality of food becomes the most important selective property, and does not play an important role in behavioral intent.

The following are the main results and the practical implications in this study. We investigated how customers perceived service encounter factors in a family restaurant and the relationships between their perceived value and behavior intent; therefore, our results are valuable as an early study on family restaurants. In particular, unlike ordinary companies that sell only products, restaurants provide goods and services at the same time, and their customers stay for an extended period, resulting in much more exposure to service situations. This is because a family restaurant is more suitable for customers to pursue hedonic than utilitarian value and focuses more on values such as pleasure and excitement than on service quality; therefore, external factors, such as the physical environment, play a very crucial role, although customer interactions with service providers matter as well. Customer interactions with service providers also significantly affected their perceived value and behavioral intent, suggesting that the characteristic brand of a family restaurant harmonizes the physical environment and that excellent service quality to customers can result in promoting re-visits by customers, word of mouth, and recommendations, as the physical environment and service quality control customer behavioral intent. Therefore, practical programs to train employees on how to deal with diverse service situations that may occur in service encounters a family restaurant and continuous education should be provided to improve interaction skills. Providing incentives to service providers who have excellent interaction skills will lead to motivating them to improve their customer services. Such empirical analyses indicate that manager maintenance and provision of high levels of services are directly influenced by the company's visible performance, such as enhancing customer value and inducing favorable behavior

Several limitations of this study need to be addressed. First, the sample consisted of family restaurant customers as part of the foodservice industry. Therefore, the generalizability of the results may be limited to customers in those particular categories. Additionally, the perception of the service encounter factor in family restaurants may differ depending on individual differences, such as a customer recognition of a company and an individual's value system. Therefore,

indifference with and lack of awareness of service encounter factors of a restaurant may result in a negative evaluation of a company, even though the company has excellent service encounter factors. We divided customer value into hedonic value and utilitarian value and closely examined the causality between service encounters and customer value. In addition, we divided service encounter factors into three categories, despite many studies examining only two factors, excluding customer interactions with other customers, and showed that customer interactions with other customers did not have a significant effect on their value and behavior intent. Therefore, future studies should compare the two different service encounter factors, and how each affects customer value and behavior intent. Furthermore, analyzing the moderating effects of general customer characteristics on the causation between service encounters and their behavioral intent will result in a more detailed analysis. Examining which encounter factor is more important to a customer who places more significance on hedonic and utilitarian value would also be meaningful. Therefore, future studies should reflect company traits characteristic of family restaurants, develop variants to measure service encounter factors perceived by customers, and establish relevant concepts; they should thus derive more objective results.

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