

## Research Article

# Review of Customer Behaviour in Forming Perceived Value at Restaurants

Rashmita Gauda

M.Com Student, Berhampur University.

## I N F O

E-mail Id:

Orcid Id:

### How to cite this article:

Gauda R. Review of Customer Behaviour in Forming Perceived Value at Restaurants. *J Adv Res Entrep Innov SMES Mgmt* 2019; 2(2): 19-22

Date of Submission: 2019-12-23

Date of Acceptance: 2020-01-10

## A B S T R A C T

With the increasing involvement of customers at restaurants, their behaviours have become an indispensable part in formation of perceptions of value. To examine such a subtle and complicated process, this study applies a multi-layer/multi-dimension approach to examine how customer behavior predicts perceived value, which in turn leads to satisfaction. Particularly, customer behavior, assessed with a hierarchical framework, includes two dimensions: participation behavior (with four sub-dimensions: information seeking, information sharing, responsible behavior, personal interaction) and citizenship behavior (with four sub-dimensions: feedback, advocacy, helping, and tolerance). Customer perceived value consists of three dimensions: economic, individual, and relational values. Data collected from 514 respondents reflect those with dining experience at restaurants. The results show that a customer's perception of value gains greater impact from citizenship behavior than participation behavior. The findings of the study contribute to the evolving knowledge of customer behavior and offer industry practitioners' effective marketing strategies to maximize customer value.

**Keywords:** Customer Perceived Value, Customer Citizenship Behaviour, Customer Satisfaction Customer Behaviour, Customer Participation Behaviour.

## Introduction

Understanding Customer Perceived Value 3.1.1. Defining Value Traditionally value has been defined in the marketing literature as a ratio or trade-off between quality and price. Zeithaml (1988) defined value as the consumer's overall assessment of the utility of a product based on the perceptions of what is received and what is given. However she expressed her concerns over the an exploratory study where some consumers perceived value to be low price, some considered value to be a balance between all the 'get' and 'give' components during a purchase and more often than not as a trade-off between quality and price. Several other definitions are prominent in the marketing literature. "Buyers' perceptions of value represent a trade-off between

the quality or benefits they perceive in the product relative to the sacrifice they perceive by paying the price," defined Monroe (1990). Anderson et al. (1993) defined value in business markets as the perceived worth in monetary units of the set of economic, technical, service and social benefits received by a customer firm in exchange for the price paid for the product, taking into consideration the available suppliers' offerings and prices. Bolton and Drew (1991) believed perceived value to be a trade-off between price and quality. According to Gale (1994), customer value is market perceived quality adjusted for the relative price of the product. "By customer value, we mean the emotional bond established between a customer and a producer after the customer has used a salient product or service produced by that supplier and found the product

to provide an added value" defined Butz and Goodstein (1996). Woodruff (1997) defined customer value as follows: "Customer value is a customer's perceived preference for the evaluation of those product attributes, attribute performances, and consequences arising from use that facilitate (or block) achieving the customer's goals and purposes in use situations." Similarly, Ulaga and Chacour (2001) stated that perceived value is the trade-off between customers' perceived benefits and perceived sacrifices in availing the firm's offering

## Literature Review

### Brand Value

It is evidenced in the existing literature that brand loyalty provides businesses with marketing advantages such as reduced marketing costs and positive word of mouth communication. Among the key constructs, perceived value received much attention from scholars. There are various definitions of the key construct of this study: perceived value. Among the definitions, Zeithmal's definition is widely accepted in consumer behavior literature. Zeithmal defined perceived value perception as "the consumer's subjective/objective evaluation towards the utility of a service with regards to the perceptions of what is obtained and what is provided (p. 14)." In the given definition, value indicates the relative utility. Therefore, a more inclusive conceptualization and sophisticated measure have been called upon. More importantly, scholars postulated that perceived value of consumers can be categorized as a multi-dimensional concept. Later, Sheth et al. suggested that perceived value is a five-dimensional construct: emotional, functional, social, conditional, and epistemic. Such multi-dimensional conceptualization provided the best foundation for a better conceptualization of perceived value. Gronroos reduced the dimensions into two sub-dimensions (emotional and cognitive perceived value). In 2001, Sweeney and Soutar postulated that consumers' perceived values are categorized into three dimensions: emotional, social, and functional values. Among the three value perceptions, the utilitarian value perspective emphasizes customers' value perception on functional outcomes of product-related attributes in the buying situations. When consumers' expectations are satisfied, or if a balance between quality and cost is well-balanced, Sustainability 2020, 12, 1663 3 of 9 the customers feel utilitarian value. Having a subjective satisfaction from the ambience leads into enjoyment (hedonic value). This is an important reason why consumers visit a co\_eehouse. Many researchers have demonstrated the importance of social value. According to Rintamaki, Kanto, Kuusela, and Spence, social value, a less understood dimension, has been categorized into a sub-dimensional construct which contributes to utilitarian and hedonic value or into one of three dimensions. Integrating the previous studies, this

study proposes three dimensional constructs, because co\_eehouse consumers pursue utilitarian value (price), hedonic value (mood in the co\_eehouse), and social value (social function in the co\_ee house) 2.2. Brand Prestige in the Formation of Brand Credibility Brand credibility refers to "the believability of the product information contained in a product". According to them, a brand corresponds to the accumulation of past marketing strategies and activities. Consumers believe that highly credible brands will perform consistently what they promise to Consumers, and therefore, less risks are associated with the consumption of such brands. Brand credibility is critical particularly when consumers are uncertain about brands, and when the approach to information is limited. A credible brand, therefore, equates to the cost effectiveness in communication with consumers as it assures high message acceptance. Jeng (2016) conducted an empirical study to check the impact of brand credibility on consumers' actual ticket buying intentions. They conducted a structural equation modeling method with data collected from airline passengers. They concluded that consumers' perceived credibility towards brand increases decision convenience, and thus creates perceived loyalty. An, Do, Ngo, and Quan (2019) used a sample of students to reveal how brand credibility creates students' WOM spread out intentions. Their analysis revealed that brand plays a symbolic role when consumers consider actual purchase. Hwang and Lee (2019) used a sample of senior tourists to examine their brand prestige perception. SEM outputs revealed that seniors' prestige perception directly leads to well-being perception, thus deriving brand attachment. Jin, Lee, and Jun's (2015) study found that luxury restaurant brand's prestige level plays a critical role in the formation of luxury restaurant selection. Their study expanded brand prestige research into the restaurant field, thus expanding the previous brand prestige research area. Their study was further expanded by Kim, Ham, Moon, Chua, and Han (2019) Kim, Ham, Moon, Chua, and Han (2019) analyzed a restaurants' GROCERANT customers group, and found that restaurant experience creates prestige level. Then, the prestige level enhances value perception and loyalty perception. 2.3. Brand Trust The degree of the feeling of uncertainty in service purchase and consumption creates perceived risk and aversion. This study borrowed the definition of brand trust suggested by Chaudhuri and Holbrook which defines it as the willingness of the buyer relying on the brand performing its stated role. Therefore, being trusted implies that the user has high confidence in performance and a lack of uncertainty.

Brand Loyalty It has been well demonstrated that loyal consumers are more willing to build a mutually beneficial relationship and favorable behavioral outcomes. The role of brand in such relationships is well discussed. Although

brand loyalty has been discussed over three decades, it has been limitedly defined only from a behavioral perspective. Dick and Basu's conceptualization of loyalty encompassed the two dimensions of loyalty: attitude and behavior (more specifically favorable attitude and repeat purchase). There are various definitions of brand loyalty. Oliver suggested this definition of brand loyalty: "a subjective belief to re-purchase a favorable service continuously, consequently leading to repetitive same company's service Sustainability 2020, 12, 1663 4 of 9 Attitudinal loyalty indicates the commitment level that consumers have toward the brand, whereas the purchase loyalty is the willingness of consumers to purchase the brand. Other researchers suggest encompassing purchase loyalty in behavioral intention. In this study, behavioral loyalty includes not only the purchase intention but also the behavioral intention to recommend the brand to others.

2.5. Relationship among Consumer Value Perception, Brand Prestige, Brand Credibility, and Relational Outcomes. It is supported in the literature that the effects of value dimensions may depend on the type of expected service or product being considered. Consistency in performance over time and signals of the quality of the given service/product are important attributes in deciding brand credibility. Brand prestige indicates a brand's positioning strategy which places a relatively high level of luxury perception into consumers' minds Baek et al. postulated that brand credibility is directly associated with tangible and utilitarian sides of value perception. They argue that brand credibility could be created via higher consistency. Therefore, utilitarian value shapes brand credibility and, on the other hand, it is expected that hedonic quality cues and social benefits will eventually enhance brand prestige. Integrating the above discussion, this study proposes that the consumer's utilitarian value perception that patrons develop through buying and consumption of a product/service will increase consumers' perception of brand credibility. On the contrary, social and hedonic value that customers perceive will have a direct impact on brand prestige.

## Conclusion

Review of marketing literature indicates the existence of competing models that establish the relationships between perceived value, customer satisfaction and customer loyalty. Few authors assume a direct relationship between customer perceived value and behavioral intentions, as opposed to some who opine that satisfaction acts as a mediating variable in the relationship. As the perceived value literature evolved researchers examined the relationships between perceived value and behaviour mediated through customer satisfaction, however, instead of considering value to be a construct of higher order, it was viewed as being comprised of individual value dimensions. Although the dimensions of value adapted by the researchers are specific to the context

of the study and the author's arguments on the scales used, the findings provide empirical evidence to the existence of the relationship between the individual dimensions and satisfaction and loyalty. The results of these studies also reveal the differential impact of the value dimensions on the dependent variables.

## References

1. Levy M. Revolutionizing the retail pricing game. Discount Store News, 15 September 1999.
2. Sweeney J, Soutar G. Consumer perceived value: The development of a multiple item scale. *J Retail* 2001; 77: 203-220.
3. Rintamäki T, Kanto A, Kuusela H et al. Decomposing the value of department store shopping into utilitarian, hedonic and social dimensions. *Int. J. Retail. Distrib. Manag* 2006; 34: 6-24.
4. Jensen HR. The interrelationship between customer and consumer value. *Asia Pac. Adv. Consum. Res.* 1996; 2: 60-63.
5. Ostrom A, Iacobucci D. Consumer trade-offs and the evaluation of services. *J. Mark* 1995; 59: 17-28.
6. Oh, H. The Effect of Brand Class, Brand Awareness, and Price on Customer Value and Behavioral Intentions. *J. Hosp. Tour. Res.* 2000, 24, 136-162.
7. Jeng, S.-P. The influences of airline brand credibility on consumer purchase intentions. *J. Air Transp. Manag.* 2016, 55, 1-8.
8. An, J.; Do, D.K.X.; Ngo, L.V.; Quan, T.H.M. Turning brand credibility into positive word-of-mouth: Integrating the signaling and social identity perspectives. *J. Brand Manag.* 2018, 26, 157-175.
9. Hwang, J.; Lee, J. Antecedents and consequences of brand prestige of package tour in the senior tourism industry. *Asia Pac. J. Tour. Res.* 2019, 24, 679-695.
10. Jin, N.; Lee, S.; Jun, J.-H. The role of brand credibility in predicting consumers' behavioural intentions in luxury restaurants. *Anatolia* 2014, 26, 384-396.
11. Kim, S.; Ham, S.; Moon, H.; Chua, B.-L.; Han, H. Experience, brand prestige, perceived value (functional, hedonic, social, and financial), and loyalty among GROCERANT customers. *Int. J. Hosp. Manag.* 2019, 77, 169-177.
12. Erdem, T.; Swait, J. Brand Credibility, Brand Consideration, and Choice. *J. Consum. Res.* 2004, 31, 191-198.
13. Baek, T.H.; Kim, J.; Yu, J.H. The differential roles of brand credibility and brand prestige in consumer brand choice. *Psychol. Mark.* 2010, 27, 662-678.
14. Fournier, S. Consumers and Their Brands: Developing Relationship Theory in Consumer Research. *J. Consum. Res.* 1998, 24, 343-353.
15. Smith, D.C.; Aaker, D.A. Managing Brand Equity: Capitalizing on the Value of a Brand Name. *J. Mark.*

1992,56, 125

16. Chaudhuri, A.; Holbrook, M.B. The Chain of Effects from Brand Trust and Brand Affect to Brand Performance: The Role of Brand Loyalty. *J. Mark.* 2001, 65, 81–93.
17. Dick, A.S.; Basu, K. Customer Loyalty: Toward an Integrated Conceptual Framework. *J. Acad. Mark. Sci.* 1994, 22, 99–113.
18. Zeithmal, V.A. Consumer perceptions of price, quality, and value: A means-end model and synthesis of evidence. *J. Mark.* 1988, 52, 2–22.
19. Babin, B.J.; Darden, W.R.; Griffin, M. Work and/or Fun: Measuring Hedonic and Utilitarian Shopping Value. *J. Consum. Res.* 1994, 20, 644. [CrossRef]
20. Gronross, C. From marketing mix to relationship marketing towards a paradigm shift in marketing. *Manag. Decis.* 1997, 35, 322–340. [CrossRef]