

An Investigation of Customer Experience and Behavioral Intentions in the South Korean Restaurant Industry

Jae-Hyeok Choi
International Business Management Program, BINUS
Business School, Bina Nusantara University, Jakarta,
Indonesia

Jin-Kyo Shin
Department of Business Administration, Keimyung University, Daegu, Republic of
Korea

Md Alamgir Mollah
Department of Management Studies, University of Barisal, Barisal, Bangladesh

Su-Jung Hwang*
Department of Venture Startups, Keimyung University, Daegu, Republic of Korea

— *Review of* —
**Integrative
Business &
Economics**
— *Research* —

ABSTRACT

In the era of consistent global competition and customer sophistication, the need for relationship marketing in business environments is indisputable. Most businesses have recognized the need to build and maintain customer relationships to remain active and competitive. The main purpose of the current research is to examine the relationship between customer experience and perceived value as well as behavioral intentions. Therefore, 338 customers are surveyed from South Korean restaurants to achieve this study's aim. All hypotheses in this study are tested using the structural equations modeling technique. The study's results indicate that the customer experience significantly and positively affects customer perceived values. Also, the customer's perceived values increase the behavioral intentions. This research provides scholars and managers in the hospitality industry with a better comprehension of customer experience, perceived values, and behavioral intentions.

Keywords: Customer Experience, Perceived Value, Behavioral Intentions, South Korean Restaurant Industry.

Received 17 October 2023 | Revised 17 February 2024 | Accepted 29 March 2024.

1. INTRODUCTION

Practices of hospitality and tourism sectors are filled with extraordinary complexity supported by factors such as social and environmental considerations, perishability, intangibility, and subjectivity. Most services focus on merchandising. Therefore, companies in service industries rely on competition based on experience. Dou, Zhu, Zhang, and Wang (2019) suggest that the concept of customer experience seems to be sympathetic to practitioners and scholars who have recently been dedicated to paying attention to this field. Despite the evidence in the existing literature, current research reveals that customer

experience looks younger than other service-related issues, such as service quality and loyalty. Johnston and Kong (2011) note that customers are provided with emotional engagement through encounters and experiences in any types of service irrespectively. Therefore, they affect the customer experience, and the future behavioral intentions and tendencies are concerned as well.

Despite the rapid nature of customer experience, there are constant demands for academic work given the fact that there are some gaps in the extant literature. First of all, there are still some remarkable observations regarding insufficient research investigating the customer experience from hospitality sectors such as the restaurant environment. Secondly, in the restaurant setting, extant research have not examined about how customer experience influences perceived value. They only have studied the effect of customer experience on perceived value. Lastly, it is unclear how perceived value influences behavioral intentions. For instance, repurchase and word-of-mouth intentions.

Customer's perceived value from an experience is prerequisite for a behavioral tendency. Therefore, the literature based on customer experience still remains insufficient until the problem has been fully solved.

The preceding gaps highlight crucial limitations in the literature based on the fact that, the characteristics of the restaurant setting provide important contributions to investigating service issues in tourism marketing and management (Payne & Holt, 2001).

Secondly, absence of the acknowledgement of the impact of customer experience on perceived value has a possibility to result in marketing managers and researchers being confused with limited generalizations, particularly in the development of theory (Bishnoi & Kumar, 2016).

Thirdly, Sheth (2011) states that theoretical models used in western contexts are usually in discord with other contexts. Additionally, Burgess and Steenkamp (2013) suggest that developing new contexts, theories, methodologies, and models require a verification.

There through, this research aims to develop existing literature in restaurant services, along the niche line by experientially looking into how customer experiences affect the perceived value of customers and how they affect the behavioral intentions. In this regard, several restaurant customers in South Korea are tested by the theoretical composition, to reinforce the literature of hospitality management with new insights.

2. LITERATURE REVIEW

2.1 Customer Experience

Mahrous and Hassan (2016) state that it is necessary to make a positive customer experience in travel and tourism industry. Such customer experience refers to reactions from interactions between customers and parts of a product, company or organization (Gentile *et al.*, 2007). Nowadays, researchers have agreed that the construction of customer experience is multidimensional (Fernandes & Cruz, 2016). However, Gentile *et al.* (2007) adapted the concept of customer experience from that of Schmitt's (1999). According to Schmitt (1999), customer experience has five dimensions: thinking, sensing, relating, feeling, and acting.

Thinking refers to customer's conscious mental process. This perspective indicates to the customers' thoughts on their learning. Sensing includes smell, touch, sight, hearing, and taste. The five sensations do not occur simultaneously. They depend on the way they are used. For instance, the sense of smell is less related in internet-based context. Relating indicates the social identity of individuals. This perspective corresponds to the social identity theory. Tajfel (1981) states that customers wish to be surrounded by individuals with similar characteristics. Furthermore, in the retail context, customers are more suitable

with other persons with similar attitudes. Feeling is considered as personal emotion which relates to positivity or negativity. Feeling is omnipresent in hospitality industry. It plays a key role in defining memorable experiences (Prayag *et al.*, 2017). Acting covers all dimensions of consumption behavior. In the context of travel agencies, customers can evaluate the ability of companies to participate in retrieving information and arranging the plans (Couture *et al.*, 2013). Gentile *et al.* (2007) argued that an experience can be as amazing, enjoyable, delightful without anger, impatience, and disappointment. Furthermore, they find that the negative emotions influence the customer satisfaction better than positive emotions. Thinking and feeling influence the satisfaction in online context. In addition, sensing influences the trust and satisfaction in online hospitality environment such as accommodations. Yuan and Wu (2008) note that the positive customer experience affects the customer satisfaction in hospitality and tourism environments.

Until now in online and offline environments, the relationship between customer experience and quality of relationship remains insufficient. Brakus, Schmitt, and Zarantonello (2009) contend that customer experience has a positive and significant effect on both customer satisfaction and trust in a brand context. When customers have good experience, they will trust the brand. Furthermore, customers who have a positive experience while online shopping or visiting the markets are known to have their expected values exceeded by service provider. Therefore, the customer satisfaction increases positively. Pine and Gilmore (1998) argue that studying solely on the service quality is not enough to measure the customer satisfaction in an experience driven by economy situation. Therefore, hospitality and tourism industry is recommended to develop and enhance the customer experience to be competitive in their market.

Furthermore, it is important to distinguish the extant study on the customer experience in services from the most notable areas of service quality. Zeithaml (1988) defines that offering service is superior to service quality context. However, Verhoef *et al.* (2009) contend that the customer experience is the factor of an overall structure. However, such factor is controlled by companies. Researchers criticize the measurement of service quality because it only focuses on the result (Voss *et al.*, 2008).

In general, the definition of customer experience is a subjective response from customers who meet the company directly or indirectly. This contains several types of meeting such as service, consumption, and communication (Lemke, Clark, & Wilson, 2011). Therefore, previous research reveals that customer experience occurs when customers encounter the company in kinds of touchpoint (Lasalle & Britton, 2003; Gentile *et al.*, 2007). Based on previous research, the customer experience quality models are developed (Grewal, Levy, & Kumar, 2009; Lemke *et al.*, 2011; Verhoef *et al.*, 2009; Voss *et al.*, 2008). For example, Verhoef *et al.* (2009) use the eight variables: brands of retails, service conditions, alternative channels for customer experience, prices, experience from prior meetings, social conditions, assortment, and retail ambience. They are moderated by the customer and environment to develop customer experience quality model.

2.2 Perceived Value

Spangenberg *et al.* (1997) define consumer perceived values as utilitarian and hedonic aspects of consumption experiences. Specifically, hedonic value indicates emotional and sensory attributes, and utilitarian value shows functional and non-sensory attributes. Also, Babin *et al.* (1994) note that hedonic value stands for overall emotions which include affective behavior, non-instrumental behavior, and experiential consumption. On the other hand, utilitarian value includes rationality and instrumentality in consumption.

To predict the consumer's buying behavior, previous studies (Cronin *et al.*, 2000) have used perceived value as an attractive and stable structure of measurement. The concept of

value is multi-dimensional and has intricate meanings with many emphases, prejudices and explanations (Payne & Holt, 2001). Zeithaml (1988) defines the perceived value as the consumer's overall evaluation of the usefulness of a product based on the perception of trade with each other. This means that customers receive or give their perceived value while they are using the service or product. Consumer's impressions of value indicate a trade-off between the quality or benefits that they perceive in a product and the sacrifice they perceived by paying a price (Monroe, 1990).

From the perspective of customer-oriented management, the customer value is the assessment and preference about the product's performance, attribute and the result when it reaches customers' goal (Woodruff, 1997). Cronin *et al.* (2000) state that the important key of customer perceived value is the service quality. Extant researchers define that customer value may form dissimilar ideas by different customers over time. Also, the benefits they receive or factors affecting their sacrifice can engender different customer valuations (Bolton & Drew, 1991). Holbrook (1999) states that the compositions of value are very personal, unusual, and varies by customer. As a result, customer value is what the customer perceives, rather than the seller's objective decision.

Cronin *et al.* (2000) state that perceived value is the interrelationships between high levels of sacrifices and perceptions of favorable service quality. Fernandes and Cruz (2016) maintain that consumers consider the price, the service quality, and the specific attributes of the transaction in assessing service value. Therefore, it can be assumed that quality related factors represent the most of the positive profit factors of customer value. Furthermore, it suggests that a higher customer experience eventually leads to higher perceived value. Also, future behavioral intentions are determined in part by perceived values.

Customer value is a combination of co-creation and experience. However, there still remains the limitations of the link between creations of value, service experience, and practice (Vargo & Lusch, 2004). These tests are important because the values perceived by customers and the meaning of specific product and service experiences are linked to the service, product attributes and characteristics. Based on customers' own experience, the individual derives personally recognized meanings (Vargo & Lusch, 2004).

In the restaurant environment, the physical setting (seating, decor, etc.) provides the first visitor with an expectation of service delivery and perceived value of the customer (Ryu, Lee, & Kim, 2012). Also, Mattila (1999) states that the service from hotel is also important for perceived value of travelers. Ryu and Han (2010) find that the relationship between the customer perceived value and three factors (decor, layout and ambience) of physical environment has a positive and significant effect on customer experience.

In Chinese restaurant context, Liu and Jang (2009) examine the relationship between the emotional responses, table manner, perceived value, and behavioral intention. The results have showed that meal waiting, and post-dining have positive effects on the customer perceived value. For instance, in the restaurant context, the researchers investigate the relationships between the customer satisfaction, three factors of service quality and frequency of patronage (Bolton & Drew, 1991).

2.2.1 Hedonic Value

Berridge and Aldridge (2008) state that customers determine the impact of hedonic consumption through experience, prediction, and memory. Babin *et al.* (1994) argue that the empirical perspective on consumer behavior focuses on customer experience. On the other hand, the functional values of product or service have examined by conventional marketing.

Result of meeting or experiencing a specific situation or life is an experience. The experiences offer the values of emotional, behavioral, sensory, relational, and cognitive, and therefore, it substitutes functional values (Schmitt, 1999). Diep and Sweeney (2008) predict that the concept of value includes the empirical results related to consumption from an empirical perspective on consumption.

Values of consumption outcome separate into extrinsic and intrinsic values because it produces both tangible and intangible outcomes (Holbrook, 1999). Also, Hirschman and Holbrook (1982) state that aspects of the consumption process are the hedonic, symbolic, and aesthetic. Therefore, a consumption-emotion-value process is the consumer behavior. Previous studies define hedonic consumption as the consumer behavior that links to the product usage experience with illusionary, multi-sensory, and inspirational aspects (Hirschman & Holbrook, 1982).

Yuan and Wu (2008) maintain that consumer behavior underlines the perspective of sense and feeling in the hospitality and tourism literature recently. Extant hospitality studies emphasize that an empirical aspect of the consumption is strongly related to the industry of tourism and hospitality. The experience is the key point of the services or products provided by tourism and hospitality industry (Cronin *et al.*, 2000).

2.2.2 Utilitarian Value

Perceived value is the prerequisite for customer satisfaction and repurchase intention (Ha & Jang, 2010; Woodruff, 1997). Gallarza and Saura (2006) state that quality, value, and satisfaction have strong relationships with each other because quality is a final result from inputs of value, satisfaction and a form of loyalty. Particularly, perceived value is the most important factor of customer service evaluation for their experiences in the restaurant service environment.

According to Zeithaml (1988), perceived value is the tradeoff between getting and giving which is the most recognized definition of customer value. Customer perceived value interacts with price from transaction value. Purchase intentions are established by customer perceived price of the service or product. Customer value includes a price, quality, and cost of service (Holbrook, 1999). Thus, Overby and Lee (2006) state that utilitarian value is an overall evaluation of benefits and sacrifices. Therefore, utilitarian value integrates the features of cognitive attitude which are convenience, economical value and time savings (Teo, 2001).

Extant literatures examine the utilitarian and hedonic values in on/offline retailing and the restaurant environments (Park, 2004; Overby & Lee, 2006). Researchers make the measurement scale for utilitarian and hedonic shopping values (Babin *et al.*, 1994). In this measurement scale, utilitarian value applies the economic or efficient aspects of shopping. Also, it applies the emotional aspects to measure the hedonic shopping value. Furthermore, Voss *et al.* (2008) developed the measurement scale for hedonic and utilitarian values. This scale includes the five items for the hedonic value such as enjoyable, excitement, fun, thrilling and delightful. Also, it includes the five for utilitarian values such as functionality, effectiveness, practicality, helpfulness and necessitate.

2.3 Behavioral Intentions

Based on the theory of reasoned action, behavioral intention is the conscious plan to carry out or not carry out future behavior. Also, Ajzen and Fishbein (1980) state that behavioral intention is a motivating factor for a will of action and is closely related to the behavior itself (Oliver, 1997). However, the level of correlation between behavioral intentions and actual behavior is still controversial. Ouellette and Wood (1998) argue that behavioral intention is a reasonable variable for predicting future action.

For instance, Ryu and Han (2010) state that only food quality predicts post-meal behavioral intention although the food, mood and fairness of seat ordering are all important factors in predicting the overall meal satisfaction. Also, Namkung and Jang (2007) examine the food quality in restaurants. They report that food temperature effects on customer satisfaction significantly but not behavioral intentions. On the other hand, options for healthy food affect the behavioral intentions. Therefore, scholars and practitioners need to find the kinds of characteristic effects on behavioral intentions and customer satisfaction.

3. RESEARCH MODEL AND HYPOTHESES

3.1 Research Model

Figure 1 shows the proposed model for the effect of customer experience on perceived value. Also, it shows the effect of perceived value on behavioral intentions.

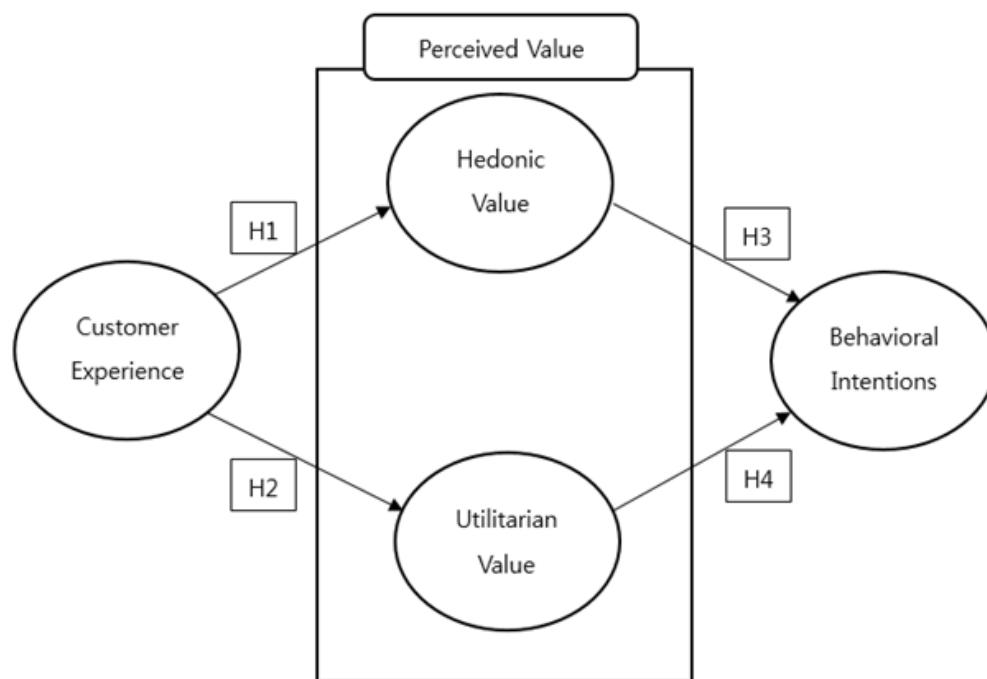


Figure 1. Research Model

3.2 Research Hypotheses

The customer experience occurs among the part of a customer, company, product, or organization (Lasalle & Britton, 2003; Shaw & Ivens, 2005). Lasalle and Britton (2003) state that this kind of experience is fundamentally personal. Also, it requires the participation of customers at various levels such as emotional, physical, spiritual, rational and sensory. In fact, the evaluation of the experience rests on the expectations of the consumer (Shaw & Ivens, 2005). Rajaobelina (2017) argues that customer experience can be a new method of competition in the extant literature (Meyer & Schwager, 2007; Shaw & Ivens, 2005). Nysveen *et al.* (2013) state that providing a good experience is important, because it increases customer satisfaction, enhances loyalty, builds confidence, expands brand, creates and maintains emotional bonds with customers.

As far as customer satisfaction and loyalty are concerned, customer experience and executives seem to have promising potential, but they are eager to understand why they see

little interest in the field. It indicates that a good customer experience is not widespread. Therefore, Gentile *et al.* (2007) emphasize that they rarely recognize excellent customer experiences even after interacting with the companies.

The definition of customer experience is not resolutely rooted in literature, but many conceptualizations of its content have been made by many scholars. For example, the customer experience is related to the personal interpretation of the service process, as much as their interactions and relationships with the customer during the journey or process of contact points (Ding, Huang, & Verma, 2011; Meyer & Schwager, 2007). Likewise, Vargo and Lusch (2004) state that value and experience are fully perceived from the perspective of individuals, so they are essentially personal and occur only in the mind of the customer. Therefore, Pine and Gilmore (1998) assume that two people cannot have the same type of experience. Also, Lotto and Purves (2001) argue that the customer's experience with the service provokes emotions and feelings, which is a strong and subjective state of mind associated with physiological conditions. Some of the emotions that come with the customer experience may include love, shame, surprise, sadness, fear, and anger. For example, it includes a variety of emotions, ranging from discomfort, depression, warmth, intimacy to ecstasy (Johnston & Kong, 2011).

Customer benefits of service use and experience may include recognition of the benefits or benefits gained from the services provided and the service experience (how to meet expectations) (Johnston & Kong, 2011). The form of a conscious and unconscious evaluation of the service provided can be the result of service by the customer's perception and it includes perceived value and overall satisfaction /dissatisfaction with the service (Lasalle & Britton, 2003; Oliver, 1997). As a result, these post-experience decisions affect the consumer's recommendations to others, and the intention of repurchase or complain.

3.2.1 Relationship between Customer Experience and Perceived Value

Ha and Jang (2009) state that the service industry is one of the areas for understanding customers' perceived value. By virtue of multiple views, previous researches suggest the value that customers perceived as multi-dimensional (Gronroos, 2008; Sweeney & Soutar, 2001). For example, Sheth *et al.* (1991) state that perceived value comes from social, epistemic, emotional, conditional and functional value perspectives. Sweeney and Soutar (2001) conceptualize the perceived value from three dimensions: emotional, functional, and social dimension. Also, Gronroos (2008) defines the perceived value through emotional and cognitive construct. Nevertheless, other scholars operate on perceived values from a hedonic and utilitarian point of view, claiming that these values best describe the value of customers (Ha & Jang, 2010; Park, 2004; Voss *et al.*, 2008).

Spangenberg *et al.* (1997) state that the hedonic dimension of the service/product experience comes from the symbolic meaning of service, emotional excitement, originality or image. Overby and Lee (2006) argue that hedonic value includes the customer's overall assessment of the empirical benefits and sacrifices such as escape and entertainment. Whereas, Overby and Lee (2006) state that overall evaluation for utilitarian value includes sacrifice and functional advantages and it has relevance to efficiency, work specific, and economical components of a product or service. Therefore, utilitarian value includes cognitive aspects of attitudes such as time saving, and perceptions of economic value (Ha & Jang, 2009; Teo, 2001).

In the same way, Ha and Jang (2010) utilize hedonic and utilitarian value to estimate customers' behavioral intentions, perceived values, and satisfaction. In the same way, Ryu *et al.* (2012) point out that restaurants are places where customers feel pleasure, experience, and emotional well-being. Similarly, Park (2004) uses both utilitarian and hedonic values

to investigate the relationship between the significance of fast food restaurant features and the value of eating out in South Korean restaurants.

This study argues that restaurant managers should consider both hedonic and utilitarian aspects while they operate the service to their customers. The theoretical and practical relevance of this debate presupposes that restaurant customers motivated by fun, taste, economic reasons, social interaction, and efficiency (Ha & Jang, 2009; Park, 2004). Therefore, from the perspective of hedonic value, customer appraises the enjoyment and excitement in a restaurant. Also, during enjoying their meal, they compare between the money and quality of food and service. Consequently, customers' perceived values in restaurant can progress from both their functional or economic benefits and their emotional or affective elements. Thus, perceived values are important criteria for customers' future behavioral intention. Based on the forgoing discussion following hypotheses are suggested:

H1: Customer experience will increase the perceived hedonic value.

H2: Customer experience will increase the perceived utilitarian value.

3.2.2 Relationship between Perceived Value and Behavioral Intentions

According to Zeithaml (1988), customer's perceived value is a core for their decision making to purchase, and it affects the behavioral intention. Sweeney and Soutar (2001) state that customers tend to show positive behavioral tendencies when they perceive high value in consumption experiences.

This study focuses on word-of-mouth and repurchase intentions as key factors of behavioral intentions. This research proposes that utilitarian value has a significant and positive effect on those intentions. Customers are inclined to repurchase from the same service provider if they perceived efficient and economic value. Similarly, this study advice that hedonic value has a significant and positive effect on those intentions and customers tend to repurchase it when they experience the emotional and affective value from same service provider (Ha & Jang, 2009).

Existing research emphasizes that one of the most influential tools of communication is the word-of-mouth (Singh, 2023). Most customers recognize that word-of-mouth is more reliable than others because the information is based on the individual's experience of the source. To sum up, the result of customers' emotional response to experience of consumption is the word-of-mouth (Kamenidou & Stavrianea, 2022; Swan & Oliver, 1989).

This study argues that if the consumers understand more importantly about their perceived values from restaurant experience, they are spreading more positive word-of-mouth to others. From the above, hedonic value has a significant and positive effect on word-of-mouth. Furthermore, word-of-mouth is related to cognitive assessments of consumers' consumption experience, causing a possible relationship between utilitarian value and positive word-of-mouth. Therefore, this study advances the following hypotheses:

H3: Hedonic value will increase the behavioral intentions.

H4: Utilitarian value will increase the behavioral intentions.

4. RESEARCH ANALYSES

4.1 Sample and Data Collection

This data is collected from customers of South Korean restaurants. This study is purposively selected the customers who are willing to participate in this study. Before administering the questionnaire, the university professors and marketing consultants are used to test the validity of content to make an appropriate assessment of the characteristics of the scale item (Bagozzi & Yi, 1988). Out of 380 customers, only 338 questionnaires are validated and fully filled for analysis and the rest of questionnaires have irregularities. Therefore, the rate of usable data is 88.95%.

The results based on the distribution of characteristics of the customer show that the sampled respondents are represented properly. As shown in Table 1, a profile of the respondents shows that 42.30% are females while 57.70% are males. The results indicate that the ages between 26-35 years are majority (56.21%), followed by the ages between 18-25 years (28.11%), and the ages between 36-46 years (12.13%). Furthermore, the data shows that a portion of at least 45 years old is 3.55%. In accordance with education level, the majority shows bachelor's degree (48.52%) as their highest level of education, 13.02% indicates that they have a high school education, 34.91% appears master's degree while 3.55% shows doctorate's degree. For the period of transaction with restaurants, the majority group (43.20%) shows that they have been eating from restaurants for a period between 4-6 years. A group of period between 7-9 years (34.32%) states that they have been going to that restaurants, while 19.52% indicates at least 10 years. Also, 2.96% indicates that they have been going to restaurant for a period 1-3 years.

Table 1. Profile of Respondents

Classification		N	%
Gender	Male	195	57.70
	Female	143	42.30
Age	18-25 years	95	28.11
	26-35 years	190	56.21
	36-45 years	41	12.13
	Above 45 years	12	3.55
Period of Transaction	1-3 years	10	2.96
	4-6 years	146	43.20
	7-9 years	116	34.32
	Above 10 years	66	19.52
Education	High School	44	13.02
	Bachelors	164	48.52
	Masters	118	34.91
	Doctorate	12	3.55

4.2 Measurement of Variables

This study uses the structured questionnaires for quantitative analysis. So, it enables the actual statistical measurement of the hypotheses for empirical data (Hair, Anderson, Babin, & Black, 2010). A 5-point Likert scale (1 = strongly disagree; 3 = neutral; 5 = strongly

agree) is used to measure the variables in the questionnaire that includes measures of customer experience, behavioral intentions and values of hedonic and utilitarian. All independent and dependent variables are illustrated with reflective measures.

First part of the questionnaire shows the information of demographic data of the respondents such as gender, age, education, and periods of transaction. Items that measure the customer experience are adapted from previous research (Lasalle & Britton, 2003; Shaw & Ivens, 2005). Questions for hedonic value and utilitarian value are obtained from previous research (Ha & Jang, 2010; Park, 2004). Also, items for behavioral intentions are adapted from prior research (Ha & Jang, 2010; Swan & Oliver, 1989).

Using the scale generation and refinement processes and techniques as suggested by scholars (Hair *et al.*, 2010), all the scale items are refined using confirmatory factor analysis. The study also uses the structural equation modeling (SEM) approach when evaluating the various hypotheses mentioned earlier in this study. According to prior research, the SEM is the preferred modeling approach because it is able to control for measurement error, test multiple relationships, and provides information about the degree of fit of the tested structures (Bagozzi & Yi, 1988; Byrne, 2013).

4.3 Validity and Reliability

To test the measurement model, this study is applied the confirmatory factor analysis (CFA). Also, to get the most model fit indices, it must meet the appropriate standards for the model fit indices (Hair *et al.*, 2010). As shown in Table 2, all the CFA indicators exceed the recommended values and are suitable for the data collected. The four components of CFA are suitable, as well as all the indices meet the minimum threshold level.

Using the indices suggested by Anderson and Gerbing (1988), Normed Chi-Square (χ^2/df) value is 1.43; Normed Fit Index (NFI) = .93; Root Mean-Square Residual (RMR) = .02, Comparative Fit Index (CFI) = .97 GFI = .91, IFI = .97 and TLI = .97. The factor loadings at a significant level of 1 percent, enhanced the convergence validity of the variables (Bagozzi & Yi, 1988).

Also, Table 2 shows the average variance extracted (AVE) that ranged from .50 to .71. In addition, their discriminant validity, and squared phi correlations are established by comparing shared AVE values. On all occasions, the AVE values are greater than the shared squared phi correlations associated with each pair of components. This suggests discriminant validity, which implies that the constructs are in different form, as underlined (Fornell & Larcker, 1981).

The reliability of the measurement scales is evaluated by examining the internal consistencies and loadings for each structures (Fornell & Larcker, 1981). The results show Cronbach's alpha values that range from .81 to .88 and standard estimates that range from .56 to .90. Also, the correlation coefficients range from .17 to .78. Also, Table 3 shows the correlations and descriptive statistics.

On the other hand, this research examines the common method bias (CMB). To test CMB, this study adapts Harman's single factor score which is under 30%. The result of this study shows a CMB score of 23.68% which is less than the approved threshold level (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003).

Table 2. Measurement Model

Item	Construct	Standardized Estimate	Standard Error	<i>t</i>	<i>p</i>	AVE	<i>Cronbach's alpha</i>
CE1	Customer experience	.83				.64	.84
CE2		.87	.08	14.94	***		
CE3		.85	.05	19.60	***		
CE4		.83	.05	19.07	***		
HV1	Hedonic value	.90				.71	.88
HV2		.56	.05	11.19	***		
HV3		.72	.05	16.51	***		
HV4		.78	.06	13.86	***		
UV1	Utilitarian value	.74				.63	.81
UV2		.72	.09	10.42	***		
UV3		.84	.07	15.53	***		
UV4		.75	.10	11.12	***		
BI1	Behavioral intentions	.63				.50	.85
BI2		.70	.08	10.20	***		
BI3		.77	.08	10.87	***		

Model fit: $\chi^2 = 426.58$, $df = 298$, $\chi^2/df = 1.43$, CFI = .97, NFI = .93, RMR = .02, IFI = .97, GFI = .91, TLI = .97

* $p < .05$; ** $p < .01$; *** $p < .001$

Table 3. Correlations and Descriptive Statistics

Variables	Mean	S.D.	(1)	(2)	(3)	(4)
Customer Experience (1)	3.64	.66	1.00			
Hedonic Value (2)	3.66	.70	.78**	1.00		
Utilitarian Value (3)	3.36	.67	.62**	.67**	1.00	
Behavioral Intentions (4)	3.37	.63	.28**	.28**	.17**	1.00

* $p < .05$; ** $p < .01$

4.4 Hypotheses Test

Table 4 represents the final results, which provide a better certification of the findings in line with the proposed hypotheses. The model fit indices of the structural model indicate that it's a good model fit ($\chi^2/df = 2.16$; RMR = .07, RMSEA = .05, GFI = .87, NFI = .89, IFI = .94, TLI = .93, CFI = .94).

The first hypothesis (H1) states that customer experience will increase the perceived hedonic value. The result from structural equations modeling (SEM) shows that customer experience has a positive and significant effect on perceived hedonic value ($t = 6.90$, $p < .05$). The second hypothesis (H2) states that customer experience will increase the perceived utilitarian value. Constantly, the result from SEM indicates that the second hypothesis is supported ($t = 7.44$, $p < .05$). The third hypothesis (H3) states that hedonic value will increase the behavioral intentions. Consistently, the third hypothesis is supported by result of SEM ($t = 10.02$, $p < .05$). Finally, the last hypothesis (H4) states that utilitarian value will increase the behavioral intentions. Steadily, the result from SEM shows that utilitarian value has a positive and significant effect on behavioral intentions ($t = 4.37$, $p < .05$). <Table 4-6> shows that the all hypotheses are supported.

Table 4. Structural Model Assessment Results

Hypotheses	Standardized Estimate	Standard Error	<i>t</i>	<i>p</i>	Results
Customer Experience→ Hedonic Value	.46	.07	6.90	***	Supported
Customer Experience→ Utilitarian Value	.55	.09	7.44	***	Supported
Hedonic Value→ Behavioral Intentions	.60	.05	10.02	***	Supported
Utilitarian Value→ Behavioral Intentions	.23	.05	4.37	***	Supported

Model fit: $\chi^2 = 661.78$, $df = 306$, $\chi^2/df = 2.16$, $RMR = .07$, $RMSEA = .05$, $GFI = .87$, $NFI = .89$, $IFI = .94$, $TLI = .93$, $CFI = .94$

* $p < .05$; ** $p < .01$; *** $p < .001$

5. CONCLUSION

5.1 Summary of Findings

In spite of numerous attempts to establish a model for customer experience, researchers present different views of this concept. Review of existing literature on the customer experience reveals indistinctness in the dimension, measurement, and definition.

This research reveals how customer experience affects the perceived value. Furthermore, it indicates the relationship between perceived value and behavioral intentions. The study investigates these relationships through the relationship marketing theory. The result of this study has the same capacity to that of previous research (Lasalle & Britton, 2003; Oliver, 1997). The customers have intentions to repurchase or word-of-mouth to others by determining their experience. As a result, customer experience has a positive and significant effect on hedonic and utilitarian value.

Customers have proven that they are aware of perceived value by evaluating the excitement and pleasure triggered while dining in a restaurant. Such result has equal capacity to that of previous research from Ha and Jang (2010). In particular, Park (2004) assumes that the customer experience raises awareness of the value that motivates future

behavior. Therefore, this study, in line with previous studies, supports the position that customer experience is a major pioneer in the perceived value of customers.

Furthermore, this result shows that the customer perceived value greatly affects the behavioral intentions positively. In addition to this effect, the hedonic value also increases the behavioral intentions positively. This is supported by the statement mentioned earlier, in which the utilitarian value increases the behavioral intentions. These results correspond with prior research (Ha & Jang, 2010; Zeithaml, 1988) in which the perceived value affects both customer repurchase intention and behavioral intentions.

To sum up, this research offers fresh concepts to theoretical and practical perspectives about the customer experience. Thus, this indicates how it affects the perceived value and moreover, how it influences the customer behavioral intentions. Among other things, this study shows that customer experience determines the customer perceived value when it affects their behavioral intentions and when customers interact with a service.

5.2 Theoretical Implications

This research gives the multidimensional perspectives for the extant academic literature. It proposes the relationships among customer experience, perceived values, and behavioral intentions. This study demonstrates that the customer experience is a direct antecedent of hedonic and utilitarian value; likewise, these variables affect the behavioral intentions in restaurant settings.

Although this study has some similarities to several previous research, it is important to comprehend how this study differs from previous research (Ha & Jang, 2009; Liu & Jang, 2009). Based on the theory of relationship marketing, this research expands the knowledge of customer experience. It is evident that the result of the customer experience in current literature shows a lack of research based on the relationship marketing theory. Validating the relationships among perceived value and behavioral intentions has significant implications. Previous studies have shown great interests in creating relationships between perceived value and behavioral intentions.

Furthermore, behavioral intention is closely related to loyalty, customer satisfaction and an intention to repurchase. Therefore, scholars can apply the result of this research to develop this kind of study, especially in the hospitality and tourism industry including the restaurant environment. Current research regarding this matter still remains under process at industrial level, and this study may have positive effect on such marketing research.

The result of this study implies that customer experience has unique contributions on perceived value. Therefore, this result with good explanatory power of conceptual framework has a possibility to contribute in the development of extant theory (Ding *et al.*, 2011; Payne & Holt, 2001; Pine & Gilmore; 1998; Shaw & Ivens, 2005). Finally, this study contributes in evaluating many interdependencies between the variables used and in presenting the results using the data from the dining environment.

5.3 Practical Implications

The main implication for marketing manager and researcher is that behavioral intentions analysis cannot be limited to a single customer experience because an experience is separately influenced and affected by previous customer experience. To deal with the competition in the hospitality industry, managers use their different strategies to improve customer experience, the utilitarian and hedonic value as well as behavioral intentions. In restaurant settings, this relationship establishes a positive fit with standard guidelines for dealing with issues such as improving the customer experience and creating value. Therefore, managers should not just concentrate on improving perceived value but also aim

on enhancing the customer perceptions of overall customer experience. Thus, the main goal for restaurant is to provide the pleasant experiences while customers are eating their meal.

The main result for this research is to increase hedonic and utilitarian value in customer experience as well as behavioral intentions. In order to improve the customer experience in the restaurant, the manager should use various methods of which include offering lots of choices for menu. Also, the restaurant should concentrate on serving a good-looking, fresh and delicious food with a reasonable price in an attractive and comfortable surrounding with suitable ambient lightning, furniture, temperature, etc. In the restaurant, playing music and making a good mood makes customers feel entertained and therefore, customers continue to remain keeping positive memories regarding their memories.

Furthermore, employees providing a kind and helpful service to customers bring a positive behavioral intention to revisit the place. As mentioned above, owners or managers of restaurants have great possibility to attract increased number of customers when they make the best use of such methods.

5.4 Limitations and Future Research Directions

Although the current study provides new insights regarding customer experience, limitations still remains. Firstly, this study examines the relationship between customer experiences and two types of customer perceived value: hedonic and utilitarian. Therefore, these relationships could only be explained from this result. However, this does not explain any other aspects of perceived value. Furthermore, this result reveals that there are no negative effects on both types of value. Based from this understanding, both researchers and managers are to be prepared for any measures of customer behavioral intention.

Secondly, this study did not consider the customer perceived value from employee's attitude. In the questionnaire, two items that are related to employee's behavior towards customers are included. Future research can utilize these questions more deeply, and then they are possible to identify as moderator.

Further research should find the other factors which influence the customer experience and behavioral intentions. For example, in the part of demographics, the question about customer's economic value has not been included. However, income level is an important item to measure the customer's behavior intention. Also, future research should attempt in using other outcomes of customer experience such as customer satisfaction, loyalty, positive word-of-mouth, trust with others.

ACKNOWLEDGEMENTS

Thanks to the anonymous reviewer for his/her helpful comments and suggestions.

REFERENCES

- [1] Ajzen, I., & Fishbein, M. (1980). Understanding attitudes and predicting social behavior. Englewood Cliffs, NJ: Prentice-Hall.
- [2] Anderson, J. C., & Gerbing, D. W. (1988). Structural equation modeling in practice: A review and recommended two-step approach. *Psychological Bulletin*, 103(3), 411-423.
- [3] Babin, B. J., Darden, W. R., & Griffin, M. (1994). Work and/or fun: Measuring hedonic and utilitarian shopping value. *Journal of Consumer Research*, 20(4), 644-656.

- [4] Bagozzi, R. P., & Yi, Y. (1988). On the evaluation of structural equation models. *Journal of the Academy of Marketing Science*, 16(1), 74-94.
- [5] Berridge, K., & Aldridge, J. (2008). Special review: Decision utility, the brain, and pursuit of hedonic goals. *Social Cognition*, 26(5), 621-646.
- [6] Bishnoi, V. K., & Kumar, A. (2016). Aaker's brand personality scale is not universal—explanation and reasons for bikes in India. *Journal of Marketing Analytics*, 4(1), 14-27.
- [7] Bolton, R. N., & Drew, J. H. (1991). A multistage model of customers' assessments of service quality and value. *Journal of Consumer Research*, 17(4), 375-384.
- [8] Brakus, J. J., Schmitt, B. H., & Zarantonello, L. (2009). Brand experience: What is it? How is it measured? Does it affect loyalty? *Journal of Marketing*, 73(3), 52-68.
- [9] Burgess, S. M., & Steenkamp, J. B. E. (2013). Introduction to the special issue on marketing in emerging markets. *International Journal of Research in Marketing*, 30(1), 1-3.
- [10] Byrne, B. M. (2013). *Structural equation modeling with LISREL, PRELIS, and SIMPLIS: Basic concepts, applications, and programming*. New York, NY: Psychology Press.
- [11] Couture, A., Arcand, M., Senecal, S., & Ouellet, J. F. (2013). The influence of tourism innovativeness on online consumer behavior. *Journal of Travel Research*, 54(1), 66-79.
- [12] Cronin, J. J. Jr., Brady, M. K., & Hult, G. T. M. (2000). Assessing the effects of quality, value, and customer satisfaction on consumer behavioral intentions in service environments. *Journal of Retailing*, 76(2), 193-218.
- [13] Diep, V. C. S., & Sweeney, J. C. (2008). Shopping trip value: Do stores and products matter? *Journal of Retailing and Consumer Services*, 15(5), 399-409.
- [14] Ding, X. D., Huang, Y., & Verma, R. (2011). Customer experience in online financial services: A study of behavioral intentions for techno-ready market segments. *Journal of Service Management*, 22(3), 344-366.
- [15] Dou, X., Zhu, X., Zhang, J. Q., & Wang, J. (2019). Outcomes of entrepreneurship education in China: A customer experience management perspective. *Journal of Business Research*, 103(Oct), 338-347.
- [16] Fernandes, T., & Cruz, M. (2016). Dimensions and outcomes of experience quality in tourism: The case of port wine cellars. *Journal of Retailing and Consumer Services*, 31, 371-379.
- [17] Fornell, C., & Larcker, D. F. (1981). Structural equation models with unobservable variables and measurement error: Algebra and statistics. *Journal of Marketing Research*, 18(3), 382-388.
- [18] Gale, B. T. (1994). *Managing customer value*. New York, NY: Free Press.
- [19] Gallarza, M. G., & Saura, I. G. (2006). Value dimensions, perceived value, satisfaction and loyalty: An investigation of university students' travel behaviour. *Tourism Management*, 27(3), 437-452.
- [20] Gentile, C., Spiller, N., & Noci, G. (2007). How to sustain the customer experience: An overview of experience components that co-create value with the customer. *European Management Journal*, 25(5), 395-410.
- [21] Grewal, D., Levy, M., & Kumar, V. (2009). Customer experience management in retailing: An organizing framework. *Journal of Retailing*, 85(1), 1-14.
- [22] Gronroos, C. (2008). Service logic revisited: Who creates value? and who co-creates? *European Business Review*, 20(4), 298-314.

- [23] Ha, J., & Jang, S. S. (2009). Perceived justice in service recovery and behavioral intentions: The role of relationship quality. *International Journal of Hospitality Management*, 28(3), 319-327.
- [24] Ha, J., & Jang, S. S. (2010). Perceived values, satisfaction, and behavioral intentions: The role of familiarity in Korean restaurants. *International Journal of Hospitality Management*, 29(1), 2-13.
- [25] Hair, J. F., Anderson, R. E., Babin, B. J., & Black, W. C. (2010). *Multivariate data analysis: A global perspective*. Upper Saddle River, NJ: Pearson Education.
- [26] Hirschman, E. C., & Holbrook, M. B. (1982). Hedonic consumption: Emerging concepts, methods and propositions. *Journal of Marketing*, 46(3), 92-101.
- [27] Holbrook, M. B. (1999). Introduction to consumer value. In Holbrook, M. B. (Eds.), *Consumer value. A framework for analysis and research*. (pp. 1-28). London, UK: Routledge.
- [28] Johnston, R., & Kong, X. (2011). The customer experience: A road-map for improvement. *Managing Service Quality: An International Journal*, 21(1), 5-24.
- [29] Kamenidou, I. E., & Stavrianea, A. (2022). Profiling Monastery Tourists based on Memorable Experiences, Place Identity, Satisfaction, Intention to Revisit and Intention to Recommend. *Review of Integrative Business and Economics Research*, 11(1), 86-110.
- [30] Lasalle, D., & Britton, T. A. (2003). *Priceless: Turning ordinary products into extraordinary experiences*. Boston, MA: Harvard Business School Press.
- [31] Lemke, F., Clark, M., & Wilson, H. (2011). Customer experience quality: An exploration in business and consumer contexts using repertory grid technique. *Journal of the Academy of Marketing Science*, 39(6), 846-869.
- [32] Liu, Y. H., & Jang, S. (2009). The effects of dining atmospherics: An extended Mehrabian-Russell model. *International Journal of Hospitality Management*, 28(4), 494-503.
- [33] Lotto, R. B., & Purves, D. (2001). An empirical explanation of the chubb illusion. *Journal of Cognitive Neuroscience*, 13(5), 547-555.
- [34] Mahrous, A. A., & Hassan, S. S. (2016). Achieving superior customer experience: An investigation of multichannel choices in the travel and tourism industry of an emerging market. *Journal of Travel Research*, 56(8), 1049-1064.
- [35] Mattila, A. (1999). Consumers' value judgments. *Cornell Hospitality Quarterly*, 40(1), 40-46.
- [36] Meyer, C., & Schwager, A. (2007). Understanding customers experience. *Harvard Business Review*, 85(2), 116-126.
- [37] Monroe, K. B. (1990). *Pricing*. New York, NY: McGraw-Hill.
- [38] Mooney, K., & Bergheim, L. (2002). *The ten demandments*. New York, NY: McGraw-Hill.
- [39] Namkung, Y., & Jang, S. C. (2007). Does food quality really matter in restaurants? Its impact on customer satisfaction and behavioral intentions. *Journal of Hospitality and Tourism Research*, 31(3), 387-409.
- [40] Nysveen, H., Pedersen, P., & Skard, S. (2013). Brand experiences in service organizations: Exploring the individual effects of brand experience dimensions. *Journal of Brand Management*, 20(5), 404-423.
- [41] Oliver, R. L. (1997). *Satisfaction: A behavioral perspective on the consumer*. New York, NY: McGraw-Hill.
- [42] Ouellette, J. A., & Wood, W. (1998). Habit and intention in everyday life: The multiple processes by which past behavior predicts future behavior. *Psychological Bulletin*, 124(1), 54-74.

- [43] Overby, J. W., & Lee, E. J. (2006). The effects of utilitarian and hedonic online shopping value on consumer preference and intentions. *Journal of Business Research*, 59(10), 1160-1166.
- [44] Palmer, A. (2010). Customer experience management: A critical review of an emerging idea. *Journal of Services Marketing*, 24(3), 196-208.
- [45] Park, C. (2004). Efficient or enjoyable? Consumer values of eating-out and fast food restaurant consumption in Korea. *International Journal of Hospitality Management*, 23(1), 87-94.
- [46] Payne, A., & Holt, S. (2001). Diagnosing customer value: Integrating the value process and relationship marketing. *British Journal of Management*, 12(2), 159-182.
- [47] Pine, B. J., & Gilmore, J. H. (1998). Welcome to the experience economy. *Harvard Business Review*, 76(4), 97-105.
- [48] Podsakoff, P. M., MacKenzie, S. B., Lee, J. Y., & Podsakoff, N. P. (2003). Common method biases in behavioral research: A critical review of the literature and recommended remedies. *Journal of Applied Psychology*, 88(5), 879-903.
- [49] Prayag, G., Hosany, S., Muskat, B., & Chiappa, G. D. (2017). Understanding the relationships between tourists' emotional experiences, perceived overall image, satisfaction, and intention to recommend. *Journal of Travel Research*, 56(1), 41-54.
- [50] Rajaobelina, L. (2017). The impact of customer experience on relationship quality with travel agencies in a multichannel environment. *Journal of Travel Research*, 57(1), 206-217.
- [51] Ryu, K., & Han, H. (2010). Influence of the quality of food, service, and physical environment on customer satisfaction in quick-casual restaurants: Moderating role of perceived price. *Journal of Hospitality and Tourism Research*, 34(3), 310-329.
- [52] Ryu, K., Lee, H., & Kim, W. G. (2012). The influence of the quality of the physical environment, food, and service on restaurant image, customer perceived value, customer satisfaction, and behavioral intentions. *International Journal of Contemporary Hospitality Management*, 24(2), 200-223.
- [53] Sanchez, F. R., & Iniesta, B. M. (2007). The concept of perceived value: A systematic review of the research. *Marketing Theory*, 7(4), 427-451.
- [54] Schmitt, B. (1999). Experiential marketing: A new framework for design and communications. *Design Management Journal*, 10(2), 10-16.
- [55] Shaw, C., & Ivens, J. (2005). *Building Great Customer Experiences*. New York, NY: MacMillan.
- [56] Sheth, J. N. (2011). Impact of emerging markets on marketing: Rethinking existing perspectives and practices. *Journal of Marketing*, 75(4), 166-182.
- [57] Sheth, J. N., Newman, B. I., & Gross, B. L. (1991). Why we buy, what we buy. A theory of consumption values. *Journal of Business Research*, 22(2), 159-170.
- [58] Singh, S. (2023). Role of Relationship in the Mediation of Satisfaction and Loyalty in Logistics Services Context. *Review of Integrative Business and Economics Research*, 12(3), 85-102.
- [59] Spangenberg, E. R., Voss, K. E., & Crowley, A. E. (1997). Measuring the hedonic and utilitarian dimensions of attitude: A generally applicable scale. *Advances in Consumer Research*, 24(1), 235-241.
- [60] Swan, J. E., & Oliver, R. L. (1989). Post purchase communications by consumers. *Journal of Retailing*, 65(4), 516-533.
- [61] Sweeney, J. C., & Soutar, G. N. (2001). Consumer perceived value: The development of a multiple item scale. *Journal of Retailing*, 77(2), 203-220.
- [62] Tajfel, H. (1981). *Human groups and social categories*. Cambridge, UK: Cambridge University Press.

- [63] Teo, T. (2001). Demographic and motivation variables associated with internet usage activities. *Internet Research*, 11(2), 125-137.
- [64] Vargo, S. L., & Lusch, R. F. (2004). Evolving to a new dominant logic for marketing. *Journal of Marketing*, 68(1), 1-17.
- [65] Verhoef, P. C., Lemon, K. N., Parasuraman, A., Roggeveen, A., Tsiros, M., & Schlesinger, L. A. (2009). Customer experience creation: Determinants, dynamics and management strategies. *Journal of Retailing*, 85(1), 31-41.
- [66] Voss, C., Roth, A. V., & Chase, R. B. (2008). Experience, service operations strategy, and services as destinations: Foundations and exploratory investigation. *Production & Operations Management*, 17(3), 247-266.
- [67] Woodruff, R. B. (1997). Customer value: The next source of competitive advantage. *Journal of the Academy of Marketing Science*, 25(2), 139-153.
- [68] Yuan, Y. H. E., & Wu, C. K. (2008). Relationships among experiential marketing, experiential value, and customer satisfaction. *Journal of Hospitality and Tourism Research*, 32(3), 387-410.
- [69] Zeithaml, V. A. (1988). Consumer perceptions of price, quality, and value: A means-end model and synthesis of evidence. *Journal of Marketing*, 52(3), 2-22.