

Independent Study Title Roles Played by Service Quality, Hedonic and Utilitarian Values on Customer Satisfaction, Behavioral Intention and Customer Loyalty in Korean and Japanese Restaurants: Case in Chiang Rai, Thailand

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ABSTRACT

This research underpins on the theoretical base of the two schools of thought of marketing discipline, namely consumer behaviors and exchange schools, and suggests a theoretical model that establishes the relationship among service quality, hedonic and utilitarian values, customer satisfaction, behavioral intention and customer loyalty. Based on the exchange school of marketing theory, pioneered by Kotler, Kartajaya, Huan & Liu (2008), value customers perceived important could be represented by what the customers perceived (i.e. functional benefit, emotional benefit) they receive relative to what they have paid for, i.e. the price paid and the service received. To implement this, hypotheses that attempt to establish the relationships between service quality, pricing and both hedonic and utilitarian values are established. Functional benefit is a “benefit based on a product attribute that provides functional utility to customers” (Kotler et al. 2008, p. 99) whereas emotional benefit, also known as hedonic value, is a “benefit based on a product attribute that provides emotional utility” (p. 103). Pricing is asserted in Kotler et al. (2008) to have a significant role for the customers in the decision making process.

The interrelationship structure between service quality and customer values is important as service operations is the service interface from which the customers experience and perceives the values received, such as having affection towards the food and the services (Barrows, 2008). For instance, in a hospital service context, Berry, Davis and Wilmet (2015) indicate that service provider must design service experiences that can give customers a greater sense of control and peace of mind (i.e. through service quality) which also allows the customers to feel emotionally attached to the services (i.e. hedonic values). To Berry, Davis, and Wilmet (2015), customers can perceive that the service providers do care about them from the other quality aspects of the services such as the tangible quality offered or simply being responsive to their emerging need.

This research uses questionnaire-based survey, and with a justifiable stance on convenience based sampling approach, to obtain the perceptions of the customers who have had visited to Korean and Japanese restaurants, both downtown and in small townships of Chiang Rai, Thailand, towards the the services of these restaurants. Customer perceptions are related to how the customers perceive the different attributes or domains of service quality, pricing issue, hedonic and utilitarian values, behavioral intention, customer satisfaction and loyalty. SPSS software, version 20, is used to help provide the statistical analysis, both descriptively and inferentially, in an attempt to suggest a theoretical model that explains the interrelationship structure of the hypotheses. Exploratory factor analysis ensures distinctive dimensions of construct are identified, and reliability by the use of inter-item consistency is ensured to meet the minimum requirement prior to the use of statistical analysis in suggesting the conclusions to the four hypotheses and the relevant demographics and psychographics questions being raised in the study.

Keywords: Customer Values, Hedonic Value, Utilitarian Value, Ethnic Food and Restaurant, Experience.