A COMPARATIVE STUDY OF CUSTOMER PERCEIVED VALUE AS A DRIVER FOR FINE DINING RESTAURANT SELECTION: A CASE OF THAI CONSUMERS AND EXPATRIATES

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Abstract

Customer perceived value is important as a key factor to predict consumption behavior, to understand consumer insights, and to create competitive advantage and develop marketing strategies. The purpose of this study is to examine the relationship between customers’ perceived value and its drivers which influence fine dining restaurant selection. This study proposes a framework and hypotheses by integrating the emotional model of Mehrabian-Russell (1974) and Zeithaml’s customer perceived value theory (1988). The results indicated that perceived value and monetary cost were the key factors that influence consumers’ intention to select a fine dining restaurant. Food quality, service quality, monetary cost and non-monetary cost were found to be the essential factors which directly affect the overall customer perceived value of fine dining restaurants, in a positive way for quality and a negative way for cost. The perceptions of customer perceived value and restaurant selection for Thai consumers and expatriates were different. For Thai consumers, food quality, service quality and positive emotion directly influence value and restaurant selection was based mainly on perceived value and monetary cost. Expatriates, in contrast, emphasized the atmosphere and service quality, which enhance their positive emotion. Additionally, the positive emotion of the dining experience was a key factor for fine dining restaurant selection.

Keywords: Atmosphere, Food quality, Service quality, Emotional response, Monetary cost, Non-monetary cost, Customer perceived value, Behavioral intention
INTRODUCTION

The restaurant business is a global industry with fierce and intense competition (Harrington, Ottenbacher & Kendall, 2011) since it is one of the rapidly growing sectors. Nowadays, restaurant operators are more concerned about the customer dining experience, customer perceived value and customer emotions (Ha & Jang, 2012). In the highly competitive context of the restaurant industry, consumers have several choices. To survive and gain more competitive advantage in the industry, restaurant operators have to understand consumers’ thoughts and feelings as well as their selection process. The concept of customer perceived value is interesting to both academics and practitioners and has been one of the cornerstones in business and marketing for years (Sweeney & Soutar, 2001). Knowledge about customer perceived value is important to develop effective marketing strategies since there is evidence from previous research that perceived value leads to restaurant selection.

Nowadays, customers tend to use more restaurant services and dine out with pleasure, entertainment and a memorable experience as the requirements of customer perceived value (Zayak, 2004; Spark, Bowen & Klag, 2003). The development of customer perceived value about a restaurant and the process of restaurant selection are complicated, and involve both cognitive and affective processes among customers. Emotional response is central to consumption, and various scholars have acknowledged its importance as one of the most powerful tools for marketing managers (Bagozzi et al., 1999; Taylor, 2000). Thus, this study emphasizes both the cognitive and affective processes in customer decision making by focusing on customer perceived value and emotional responses toward fine dining restaurant selection. The benefits that the customer would receive and the sacrifices the customer would make when selecting a fine dining restaurant are studied simultaneously based on the theories of customer perceived value theory by Zeithaml (1988) and the Mehrabian-Russell Model (1974). In the restaurant industry, the fine dining restaurant is chosen for various reasons. The fine dining restaurant is a growing high-potential market which contributes more than 10,000 million baht a year to the Thai economy (Department of Business Development of Thailand, 2002). The slow-down of consumption of fast food has shifted the market toward full service restaurants (Boyle, 2011); people are concerned about health, have a higher standard of living and are wealthier, and there has been a luxury spending boom (Zayak, 2004; Lee & Hwang, 2011). Emotional response is more important and is evident in full service restaurants in contrast to fast food restaurants (Jang & Namkung, 2009).

The full service restaurant offers fine dining with a variety of foods and beverages with table service (Tarib, Hashim, Chinna & Kumar, 2009). The fine dining restaurant is defined as a full service restaurant where customers pay a premium for fine food and impeccable service (Tarib et al., 2009), an upscale restaurant with highly skilled staff who are expert in personal service (Walker, 2002; Powers & Barrows, 1999), a well designed restaurant with luxurious furnishing, with a high food and service quality (Walker, 2002), with white table clothes and an elegant dining experience (Chon & Sparrowe, 2000).

The objective is to investigate and develop a conceptual framework about benefits and sacrifices as the key drivers of customer perceived value toward fine dining restaurant selection. This study focuses on the process of restaurant selection, which emphasizes the three benefits of atmosphere, food quality and service quality, and the two sacrifices of monetary and nonmonetary cost as key drivers of customer perceived value. Additionally, this study compared the selection processes of Thai consumers and expatriates. The reason for focusing on Thai consumers and expatriates is because they are potential customers of fine dining restaurants. Additionally, a number of studies have investigated customer perceived value among various groups of customers (Ha & Jang, 2012). However, there has been limited empirical study of the simultaneous effect of benefits and sacrifices as key drivers that affect customer perceived value. Moreover, the comparison of Thai and expatriates in a fine dining restaurant context has never been made. Nowadays, there are increasing numbers of expatriates who come to Thailand (DOE, 2009; DOE, 2011; Poopool, 2011). Thailand is an attractive destination for expatriates (HSBC, 2012). The expatriate sector is important for the restaurant industry because of expatriates’ recreational lifestyle, interest in frequently dining out and drinking and socializing at restaurants and bars (Trembath & Parker, 2011). This study defines ex-
patriates as the citizens of one country who are working in another country, and home country nationals who are transferred or working abroad (Griffin & Pustay, 1996; Wild, Wild & Han, 2001; Hill, Wee & Udayasankar, 2012).

Additionally, this study is based on Zeithaml’s Customer Perceived Value theory (1988), and Mehrabian and Russell’s model (1974). The hypotheses are derived from the literature review and in-depth interviews. This article begins by briefly reviewing the theories of Zeithaml’s Customer Perceived Value (1988), and Mehrabian and Russell’s model (1974). The author then develops hypotheses about how the key drivers of customer perceived value affect fine dining restaurant selection.

LITERATURE REVIEW

Zeithaml’s Perceived Value and Mehrabian-Russell’s Emotional Response

Zeithaml (1988) proposed a framework of customer perceived value with a mean-end model while perceived quality and perceived price were identified as precursors of customer perceived value. Customer perceived value is a consumer’s overall assessment of the product which is based on the perception of what is received and what is given, known as benefits and sacrifices. Customer perceived value is categorized into three levels i.e. the attribute level, the quality level and the value level. The attribute level is composed of intrinsic and extrinsic attributes. The quality level is the consumer judgment of the product which relates to superiority and excellence. For the value level, customer perceived value describes the concept of low price, whatever consumers want in a product and what customers get for what they give. Zeithaml’s model (1988) described perceived sacrifices as monetary cost and nonmonetary cost, which influence customer perceived value. Monetary cost is the amount of money a consumer has sacrificed or given up to obtain a product. Nonmonetary cost includes time cost, search cost and psychic cost, which explicitly and implicitly form part of the fine dining restaurant customers’ perception of products and services (Zeithaml, 1988).

The Mehrabian-Russell concept (1974) of emotional response is integrated with the cognitive construct of customer perceived value in the conceptual framework. The Mehrabian-Russell model (1974) describes the impact of physical and environmental stimuli on human emotional responses, which in turn affect the behavioral response, the three stages of the S-O-R paradigm, stimulus, organism and response. The Mehrabian-Russell model was developed in 1974 and describes the human interaction with the various environmental stimuli which generate emotional states in the human mind as organisms.

The role of emotion emphasizes customer perceived value development by integrating the Mehrabian-Russell model (1974) and is one of the most cited in marketing (Jang & Namkung, 2009; Liu & Jang, 2009). The strength of the S-O-R paradigm is as a parsimonious model which is widely used (Sweeney & Wyber, 2002), has a strong intervening variable and response (Donovan & Rossiter, 1982), and is popular in various industries. For emotional response, previous scholars proposed positive and negative emotions (Yoo, Park & MacInnis, 1998; Jang & Namkung, 2009). Positive emotions are pleasure, excitement, contentment, refreshment, interest, relaxation and attractiveness (Jang & Namkung, 2009; Jang et al., 2011) whereas negative emotions are anger, disgust, boredom, regret, distress, contempt and displeasure (Yoo et al., 1998; Jang et al., 2011).

Customer perceived value is a multi-dimensional construct (Babin, Darden & Griffin, 1994; Rintamaki, Kanto, Kuusela & Spence, 2006). The study of Babin et al. (1994) focused on the two dimensions of utilitarian and hedonic value in the shopping context. The total Customer Perceived Value theory of Rintamaki et al. (2006) focused on three dimensions of customer perceived value, which are the utilitarian, hedonic and social values. Utilitarian consumer behavior is based on perspectives of rational, task related, work aspects (Babin et al., 1994), and the functionality of products and utility characteristics (Babin et al., 1994; Rintamaki et al., 2006). Consumer judgments of hedonic value are based on affective and emotional states. The hedonic value is abstract and subjective (Holbrook & Hirschman, 1982; Rintamaki et al., 2006), and is considered as more affective than cognitive (Ryu, Han & Jang, 2010). Social values are reflected by beliefs among a group of people (Sheth, Newman & Gross, 1991), the benefits of status enhancement, self esteem and image en-
hancement (Rintamaki et al., 2006; Gill, Byslma & Ouschan, 2007). Consequently, this study reviews the literature in three groups: the relationship between customer perceived value and its drivers, the effect of the key drivers on emotional response and customer perceived value, and the relationship between the behavioral intention to select a restaurant and it influencing factors.

Customer Perceived Value and its Drivers of Benefits and Sacrifices

Previous studies have supported the relationship between customer perceived value and atmosphere (Liu & Jang, 2009), food quality (Joon & Kwon, 2011), and service quality (Edward & Sahadev, 2011; Joon and Kwan, 2011). Liu and Jang (2009) suggested that restaurant atmosphere has the effect of enhancing customer perceived value in restaurants. The atmosphere aspects of interior design and human elements were found to have a direct effect on customer perceived value.

The physical environment refers to the atmosphere, which is important in a restaurant (Ha & Jang, 2012). There is widespread use of the environment and a unique atmosphere to differentiate a restaurant from its competitors (Grayson & McNeill, 2009). For upscale restaurants, Namkung and Jang (2008) characterized the restaurant atmospheres in terms of spatial layout, interior design, color and music. Food quality was also accepted as a key driver of customer perceived value and the key element of product quality in restaurant contexts (Ryu, Lee & Kim, 2012). Food quality has been investigated from various aspects to evaluate quality, such as food presentation, taste, freshness, temperature, healthy options and food safety (Namkung & Jang, 2008; Liu & Jang, 2009). Food quality was found to be the quality of features associated with food that was acceptable to customers (Ha & Jang, 2010), food healthiness, fresh food, and good taste (Ozimek & Biemans, 2011). Previous scholars revealed a positive relationship between service quality and customer perceived value (Edward & Sahadev, 2011) in various contexts such as scenic restaurants (Chen, 2011), and in the coffee outlet industry (Chen & Hu, 2010). Thus, the first hypothesis can be proposed as:

**H1: Atmosphere, food quality and service quality are positively related to customer perceived value in fine dining restaurants**

Zeithaml (1988) suggested that sacrifices of perceived monetary cost and perceived non-monetary cost influence perceived value. Monetary cost was found to be a predictor of customer perceived value in the hospitality industry (Naylor & Frank, 2001). The higher the perceived cost for customers, the lower the product value perception (Baker et al., 2002). Monetary cost is the amount of money a consumer has sacrificed, or given up, to obtain a product, and is described as the perception of the lower-level attributes in the means-end model (Zeithaml, 1988). The monetary cost is a significant driver and a strong predictor of perceived merchandise value in a retail context (Baker et al., 2002).

Non-monetary cost is the trade-off between time cost, search cost and psychic cost which is explicit and implicit in the perception of products and services (Zeithaml, 1988). Lapierre (2000) proposed that time, effort and energy are important drivers which influence customer perceived value in industrial contexts. Gallarza and Saura (2006) revealed that tourist consumer behavior is based on the value of time cost and effort spent. Prior studies revealed that non-monetary cost has an effect on perceived value (Naylor & Frank, 2001; Gallarza & Saura, 2006). Thus:

**H2: Monetary cost and non-monetary cost are negatively related to customer perceived value in fine dining restaurants**

The Effect of the Key Drivers on Emotional Response and Customer Perceived Value

Jang, Liu and Namkung (2011) developed a model to test the effect of authentic atmosphere on behavioral intention through emotional response. The result revealed that restaurant atmosphere influenced positive and negative customer emotions and behavioral intention. The atmosphere has a positive effect on positive emotions (Jang & Namkung, 2009; Jang, Liu & Namkung, 2011) but negatively affects negative emotions (Jang et al., 2011).

Food quality is one of the highest rated attributes, playing an important role in restaurant selection (Upadhyay, Singh & Thomas, 2007), and
is essential to engender customer emotional responses (Jang & Namkung, 2009). The quality factor also elicits and evokes customer emotional responses in online contexts (Hsu & Tsou, 2011). There was a significant relationship between quality and emotional response (Meirovich & Bahnan, 2008). An emotional response is the result of providing high service quality. A high level of service quality has a positive effect on emotions (Jang & Namkung, 2009), but a low level of service quality has a negative effect on emotions (Ladhari, Brun & Morales, 2008).

**H3a:** Atmosphere, food quality and service quality are positively related to positive emotion.

**H3b:** Atmosphere, food quality, service quality are negatively related to negative emotion.

Customer emotion represents the affective view of consumer decision making (Hansen, 2005). Some studies had conceptualized emotional response as a unidimensional construct (e.g. Lutz and Kakkar, 1975). However, Yoo et al. (1998) identified emotional response as positive feelings, i.e. pleasure, attractiveness, excitement, contentment, pride, satisfaction, and negative feelings, i.e. being ignored, anxiety, nullification, displeasure, and anger. Positive emotions have a positive effect on both hedonic and utilitarian values (Babin & Attaway, 2000). Negative emotions generate the desire to withdraw from an environment and are unfavorable negative influences on customer utilitarian and hedonic values (Babin & Attaway, 2000).

Emotional response is an important factor which leads directly to customer perceived value (Liu & Jang, 2009; Hyun, Kim & Lee, 2011). Liu and Jang (2009) revealed that key drivers of positive emotion have a positive effect while negative emotions have a negative effect on customer perceived value among Chinese restaurant customers. Hyun et al. (2011) indicated that advertising stimulates emotional responses and positively affect patrons’ perceived customer value as hedonic and utilitarian values.

**H4:** Positive emotion is positively related to customer perceived value in fine dining restaurants while negative emotion is negatively related.

**The Behavioral Intention to Select a Restaurant and its Influencing Factors**

Understanding behavioral intention is a primary concern of marketing scholars (Ryu & Jang, 2008). Behavioral intention is important to predict consumer behavior and future consumption behavior (Jani & Han, 2011). The behavioral intention to select a restaurant is described as the anticipation of a restaurant customer’s willingness to repeat patronage, recommend to others, to visit restaurant in the future, to provide positive word of mouth, to spend more than anticipated and to pay a premium price (Zeithaml et al., 1996; Ryu et al., 2010). Previous scholars indicated that perceived value directly influences restaurant selection (Harrington et al., 2011), the intention to visit restaurants (Arora & Singer, 2006), and behavioral intention (Liu & Jang, 2009). Previous studies revealed a significant relationship between perceived value and behavior intention in the retail context (Baker et al., 2002), the air line context (Huang, 2009), and the restaurant context (Liu & Jang, 2009).

Monetary cost refers to the perceived monetary price (Gallarza & Saura, 2006). Dodds, Monroe and Grewal (1991) suggested that price has a negative relationship with the willingness to buy. The perceived cost has a negative influence on intention in the mobile service industry (Quan, Hao & Jianxin, 2010). Marketing scholars have suggested a significant and negative direct relationship between non-monetary cost and store patronage intention (Baker et al., 2002). Time cost was a strong determinant of patronage intention in a retail context (Baker et al., 2002). In a restaurant context, Ashton et al. (2010) revealed that perceived sacrifice of non-monetary cost significantly influences the intention to purchase in hotel restaurant dining.

**H5:** Customer perceived value has a positive relationship with the behavioral intention to select a fine dining restaurant.

**H6:** Monetary cost and non-monetary cost have a negative relationship with the behavioral intention to select a fine dining restaurant.

**H7:** Thai customers and expatriates have different fine dining restaurant selection processes.
CONCEPTUAL FRAMEWORK

In order to verify the key drivers of customer perceived value and fine dining restaurant selection, the literature review and exploratory research results were essential. An in-depth interview was conducted with fine dining restaurant customers who had experience of dining in the previous three months. The participants revealed the key drivers of benefits and sacrifices which relate to atmosphere, food quality, service quality, monetary cost, nonmonetary cost, positive emotion and negative emotion. Thus, the hypothesized relationships are developed from the in-depth interview and literature review and are presented in Figure 1 as follows.

RESEARCH METHODOLOGY

The questionnaire was developed based on the literature review and exploratory research results. The nineteen in-depth interviews were conducted to gain consumer insight into the key drivers of customer perceived value. Eight main variables were included as the key drivers of benefit elements: atmosphere, food quality and service quality. Sacrifice includes monetary and non-monetary costs. The emotional responses are positive and negative emotions. Customer perceived value is composed of utilitarian, hedonic and social values.

POPULATION, SAMPLING AND DATA COLLECTION

The target population is fine dining restaurant customers who had experience at fine dining restaurants in the previous three months. The pretest was conducted with 50 respondents. Cronbach’s alpha coefficient was satisfactory ranging from 0.72 to 0.971. The sample size was 600 respondents who were asked to complete the questionnaire. A total of 572 completed and usable questionnaires were obtained in this study.

This study conducted interviews with fine dining restaurant managers. Most of them stated that the number of expatriate customers in their restaurants did not exceed 30%. As such, a quota sampling of 70:30 was applied. 70% of the sample i.e. 420 samples were appointed to be Thai consumers while the other 30%, or about 180 samples, were expatriates. Quota sampling is employed because it is the best technique to obtain a representative sample at low cost, with the least time consumption, and with greater convenience for the interviewer selection of each quota element (Malhotra, 2007).
The data were obtained from customers after a dining experience in fine dining restaurants. Five locations with several fine dining restaurants were selected based on the in-depth interview results as Sukumvit-Eakamai, Silom, Sathon, Raminita express way and Rama IV. Samples were 572 fine dining restaurant customers. Almost equal numbers of males (49.7%) and females (50.3%), and single (51.2%) and married (48.8%) were obtained. Most held above bachelor degree (58.9%) with monthly income ranging from 100,001-300,000 Baht (35.5%) and 50,001-100,000 Baht (27.8%); ages ranged from 31-40 years (58%), and the samples had occupations as private employees (54.9%), business owners (35%) and government officers (5.4%).

For the scale development, there was 83 measurement items which was developed from previous studies and in-depth interview as representative constructs of atmosphere and food quality (Jang & Namkung, 2009), service quality (Steven et al., 1995), monetary cost (Jen & Hu, 2003), nonmonetary cost (Lapierre, 2009), positive and negative emotion (Liu & Jang, 2009), customer perceived value (Ryu et al., 2010; Gill et al., 2007) and behavioral intention (Ryu et al., 2010). The pretest was conducted to ensure the reliability (ranging from 0.72 to 0.971), the construct validity and the quality of the questionnaire, and satisfactory results were obtained. The Cronbach’s alpha and EFA were performed to ensure the reliability and validity of the measurements. Cronbach’s alpha of all measurements were satisfactory while thirteen cross loaded items (out of the 83) illustrated in the EFA results were eliminated.

RESULTS

The CFA was performed initially to ensure the construct validity of the data and satisfactory results were obtained. Structural Equation Modeling was employed to test the hypotheses. Chi-square of the structural model of 280.24, $\chi^2/df=4.062$ with a significant p-value (p<0.001) suggested that the model did not fit well with the data. However, as the chi-square value is sensitive to a large sample size, the baseline comparison fit indices for measuring the SEM model fit are considered instead. The GFI=0.945; IIF=0.907; CFI=0.904 and RMSEA=0.073 exceeded the acceptable level of 0.90 recommended by Hair et al. (2006) and Ho (2006). The square multiple correlation ($r^2$) suggests the prediction of the hypothesized model, which accounted for 40% of the variances associated with customer perceived value and 24.3% associated with the behavioral intention to select fine dining restaurants. The results of the hypothesis tests are summarized in Table 1 while the multiple group comparisons between the Thai consumers and expatriates are shown in Table 2 as follows:

<table>
<thead>
<tr>
<th>Hypotheses and Paths in the Model regression weights</th>
<th>Standardized ratio (C.R.)</th>
<th>Critical</th>
<th>P-value</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 Atmosphere → Perceived value</td>
<td>0.041 (.073)</td>
<td>1.264</td>
<td>.206(NS)</td>
<td>Not supported</td>
</tr>
<tr>
<td>Food quality → Perceived value</td>
<td>0.066</td>
<td>2.489</td>
<td>.013*</td>
<td>Supported</td>
</tr>
<tr>
<td>Service quality → Perceived value</td>
<td>0.715 (.382)</td>
<td>3.153</td>
<td>.002**</td>
<td>Supported</td>
</tr>
<tr>
<td>H2 Monetary cost → Perceived value</td>
<td>-0.139 (-.449)</td>
<td>-2.931</td>
<td>.003*</td>
<td>Supported</td>
</tr>
<tr>
<td>Nonmonetary cost → Perceived value</td>
<td>-0.040 (-.109)</td>
<td>-2.22</td>
<td>.026*</td>
<td>Supported</td>
</tr>
<tr>
<td>H3a Atmosphere → Positive emotion</td>
<td>0.294 (.294)</td>
<td>6.878</td>
<td>***</td>
<td>Supported</td>
</tr>
<tr>
<td>Food quality → Positive emotion</td>
<td>0.098 (.108)</td>
<td>2.632</td>
<td>.008**</td>
<td>Supported</td>
</tr>
<tr>
<td>Service quality → Positive emotion</td>
<td>0.528 (.159)</td>
<td>2.801</td>
<td>.005**</td>
<td>Supported</td>
</tr>
<tr>
<td>H3b Atmosphere → Negative emotion</td>
<td>-0.112 (-.115)</td>
<td>-2.506</td>
<td>.012*</td>
<td>Supported</td>
</tr>
<tr>
<td>Food quality → Negative emotion</td>
<td>0.059 (.067)</td>
<td>1.526</td>
<td>.127(NS)</td>
<td>Not supported</td>
</tr>
<tr>
<td>Service quality → Negative emotion</td>
<td>-0.207 (-.064)</td>
<td>-1.108</td>
<td>.268(NS)</td>
<td>Not supported</td>
</tr>
<tr>
<td>H4 Positive emotion → Perceived value</td>
<td>0.112 (.119)</td>
<td>3.695</td>
<td>***</td>
<td>Supported</td>
</tr>
<tr>
<td>Negative emotion → Perceived value</td>
<td>-0.019 (-.033)</td>
<td>-0.720</td>
<td>.471(NS)</td>
<td>Not supported</td>
</tr>
<tr>
<td>H5 Perceived value → Intention to select</td>
<td>0.794 (.401)</td>
<td>5.111</td>
<td>***</td>
<td>Supported</td>
</tr>
<tr>
<td>H6 Monetary cost → Intention to select</td>
<td>-0.376 (-.452)</td>
<td>-5.781</td>
<td>***</td>
<td>Supported</td>
</tr>
<tr>
<td>Nonmonetary cost → Intention to select</td>
<td>-0.039 (-.053)</td>
<td>-1.784</td>
<td>.074(NS)</td>
<td>Not supported</td>
</tr>
</tbody>
</table>

Note: Figures shown in each cell indicate the unstandardized coefficient. Figures in brackets indicate the standardized coefficient C.R. are significant at * p<.05, ** p<.01, *** p<.001
DISCUSSION

The benefits of food and service quality are important and influence customer perceived value for fine dining restaurant customers. These findings are consistent with and are supported by the study of Ryu, Lee and Kim (2012) which was conducted in authentic upscale Chinese restaurants. The findings also are supported by the study of Beneke, Flynn, Greig and Muka (2013) that a greater perceived product quality enhances overall customer perceived value. The findings indicate that service quality has a greater impact on perceived value than food quality, which is consistent with previous studies (Gallarza & Saura, 2006; Joon & Kwan, 2011; Chen, 2011). The findings are in line with Chen (2011) who conducted research in scenic restaurants, Chen and Hu (2011) who investigated the coffee outlet industry, and Gallarza and Saura (2006) who focused on tourism experiences.

In contrast, atmosphere was not a significant influence on customer perceived value in fine dining restaurants, which contradicts previous empirical studies (Liu & Jang, 2009; Chen & Hsieh, 2011). The non-significant influence of atmosphere on customer perceived value in fine dining restaurants may be because customers were more concerned about food quality and service quality as more important attributes than atmosphere. Additionally, customers expected the atmosphere of a fine dining restaurant to be luxurious with attractive decoration and elegant design. As the atmosphere of most fine dining restaurants already meets or exceeds the expectation of customers, they may not take it into account in the value perception of the restaurant.

For the sacrifices, the results indicated that monetary cost and nonmonetary cost were significantly and negatively related to customer perceived value in fine dining restaurants, which is consistent with empirical findings such as Oh (1999), Naylor and Frank (2001), Baker et al. (2002), Gallarza and Saura (2006). The higher the perceived cost for customers, the lower the product value perception (Baker et al., 2002). For nonmonetary cost, the result is also consistent with Gallarza and Saura (2006) who indicated that time cost and effort cost are negatively associated with customer perceived value in tourism experiences.

For the effect of key drivers on emotional response and customer perceived value, the findings indicate that atmosphere, food quality and service quality are significantly and positively related to positive emotion in fine dining experiences. Atmosphere was found to be significant for negative emotion, which is consistent with Jang, Liu and Namkung (2011), Liu and Jang (2009).

Food quality and service quality were not found to be significant drivers of negative emotion, which contradicts previous studies (Hsu & Tsou, 2011). However, an insignificant effect of service quality on negative emotion was found in a few studies, such as in mid scale restaurants (Jang & Namkung, 2009). The findings of this study provide a new insight into negative emotion in that it was found not to be generated by the drivers of food quality and service quality. Negative emotion was not provoked by any key drives such as food quality and service quality. It might be generated by the service providers who were determined to be a problem on an individual level, but not of the restaurant as a whole. Moreover, negative emotion could be reduced, or even disappear due to the presence of guests or friends, or might occur in the short-term and then vanish.

The findings indicate that positive emotion has a significant effect on customer perceived value while negative emotion was not significant. Negative emotion is represented as an emotion which does not generate a good memory, or an impressive dining experience, and does not have a longstanding effect on overall customer perceived value. The effect of positive emotion on customer perceived value may be because positive emotion is the pleasure and happiness which is generated by an impressive and memorable dining experience for fine dining restaurants customers who have a long-lasting experience, which enhances overall perceived value. The results support the relationship between customer perceived value and behavioral intention to select fine dining restaurants in Thailand. Monetary cost is related to behavioral intention to select fine dining restaurants. Nonmonetary cost did not directly predict the behavioral intention to select a fine dining restaurant, which contradicts prior studies (Ashton et al., 2010).

COMPARISON OF THAI CONSUMERS AND EXPATRIATES

There were differences between the sets of Thai
and expatriate consumers. Thai consumers were concerned about two benefits, food quality and service quality, which affect overall customer perceived value in fine dining restaurants. The greater the quality of food and service, the greater the likelihood to enhance overall customer perceived value for Thai consumers. For expatriates, the key drivers of benefits and sacrifices did not affect overall customer perceived value in fine dining restaurants. The findings for Thai consumers were consistent with the study of Ryu, Lee and Kim (2012) who found that food quality was a significant predictor of perceived value in authentic upscale restaurants. Additionally, service quality was an important predictor in enhancing overall customer perceived value in the restaurant industry (Kang & Wang, 2009). For expatriates, the key drivers did not impact overall customer perceived value among expatriates. Expatriates did not evaluate the benefits and costs, the ‘give and get’ elements, as value drivers when they made a decision to select a fine dining restaurant. Expatriates did not employ a rational cognitive process in decision making. None of the key drivers influenced the cognitive process among expatriates; three benefit drivers and two sacrifices did not influence overall value. Thus, expatriates were found to be more concerned about the affective process in fine dining restaurant selection with positive, pleasurable emotions, such as memorable feelings of a fine dining experience. Expatriates are more concerned about only two benefits: the luxury atmosphere and service quality to enhance positive emotion, which in turn affects overall value perception and restaurant selection. The details can be seen in Table 2.

For Thai consumers and expatriates, atmosphere and service quality were the major determinants of positive emotion, which in turn enhance customer perceived value. Restaurateurs should focus on the atmosphere in the physical environment to enhance pleasurable emotions for customers in upscale restaurants (Ryu & Jang, 2008). The improvement of service quality has also been found to evoke positive emotion in full service restaurants (Jang & Namkung, 2009).

Additionally, customer perceived value and monetary cost were found to be essential factors that influence behavioral intention among Thai consumers. However, expatriates were concerned about customer perceived value as a lesser influence in fine dining restaurant selection. The reason why expatriates are not so concerned about the monetary cost in restaurant selection is because expatriates have higher income and greater purchasing power than Thai consumers. Thus, the monetary cost does not represent a great expense for expatriates, and therefore does not affect their selection. The reason why Thai consumers are concerned about overall value and monetary cost is because they perceive the expense of fine dining as a high cost. The findings are consistent with Ashton et al. (2010) who indicated that monetary cost is an important sacrifice affecting the intention to purchase in hotel restaurant dining. Expatriates are concerned about perceived value, which influences the willingness to buy (Koubbaa, Ulvoas & Chew, 2011). The perceived value of expatriates must be influenced by other factors not in-

Table 2: Comparisons between Thai Consumers and Expatriates

<table>
<thead>
<tr>
<th>Hypotheses and Paths in the Model</th>
<th>Thai Consumers</th>
<th>C.R.</th>
<th>Expatriates</th>
<th>C.R.</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Atmosphere → Perceived value</td>
<td>.35 (.086)</td>
<td>1.19</td>
<td>.153 (.23)</td>
<td>.787</td>
</tr>
<tr>
<td>Food quality → Perceived value</td>
<td>.55 (.14)*</td>
<td>2.23</td>
<td>.632 (.12)</td>
<td>.732</td>
</tr>
<tr>
<td>Service quality → Perceived value</td>
<td>.44 (.42)**</td>
<td>3.23</td>
<td>.11 (.67)</td>
<td>.691</td>
</tr>
<tr>
<td>H2</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Monetary cost → Perceived value</td>
<td>-.067 (-.30)</td>
<td>-1.64</td>
<td>-.88 (-.80)</td>
<td>- .61</td>
</tr>
<tr>
<td>Nonmonetary cost → Perceived value</td>
<td>-.03 (-.10)</td>
<td>-1.93</td>
<td>-.36 (-.68)</td>
<td>.731</td>
</tr>
<tr>
<td>H3a</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Atmosphere → Positive emotion</td>
<td>.266 (.27)***</td>
<td>5.53</td>
<td>.415 (.39)</td>
<td>.324</td>
</tr>
<tr>
<td>Food quality → Positive emotion</td>
<td>.072 (.079)</td>
<td>1.65</td>
<td>.086 (.104)</td>
<td>1.14</td>
</tr>
<tr>
<td>Service quality → Positive emotion</td>
<td>.503 (.198)***</td>
<td>3.66</td>
<td>.503 (.187)</td>
<td>.366</td>
</tr>
<tr>
<td>H3b</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Atmosphere → Negative emotion</td>
<td>-.119 (-.116)*</td>
<td>2.35</td>
<td>.047 (.16)</td>
<td>1.5</td>
</tr>
<tr>
<td>Food quality → Negative emotion</td>
<td>.038 (.040)</td>
<td>1.81</td>
<td>.011 (-.04)</td>
<td>.438</td>
</tr>
<tr>
<td>Service quality → Negative emotion</td>
<td>.071 (.027)</td>
<td>1.02</td>
<td>.071 (.095)</td>
<td>1.02</td>
</tr>
<tr>
<td>H4</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Positive emotion → Perceived value</td>
<td>.071 (.169)*</td>
<td>2.55</td>
<td>.192 (.309)</td>
<td>.412</td>
</tr>
<tr>
<td>Negative emotion → Perceived value</td>
<td>-.027 (-.068)</td>
<td>-1.12</td>
<td>-.15 (-.687)</td>
<td>.667</td>
</tr>
<tr>
<td>H5</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perceived value → Intention to select</td>
<td>.999 (.367)***</td>
<td>6.11</td>
<td>.99 (.647)***</td>
<td>6.1</td>
</tr>
<tr>
<td>H6</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Monetary cost → Intention to select</td>
<td>-3.07 (-.12)***</td>
<td>-5.59</td>
<td>-.051 (.082)</td>
<td>-1.05</td>
</tr>
<tr>
<td>Nonmonetary cost → Intention to select</td>
<td>-.045 (-.057)</td>
<td>-1.79</td>
<td>.045 (.064)</td>
<td>-1.79</td>
</tr>
</tbody>
</table>

**Note:** Figures shown in each cell indicate the unstandardized coefficient. Figures in brackets indicate the standardized coefficient. C.R. are significant at * p<.05, ** p<.01, *** p<.001
cluded in the study. In this study, perceived value of expatriates was found only to be influenced by positive emotion.

Implications

This study contributes knowledge of a new research paradigm for academics by understanding customers’ deep emotion in predicting the overall value of fine dining restaurants, and theoretical knowledge by integrating two theories: the customer perceived value theory of Zeithaml (1988) and the Mehrabian Russell Model (1974), which are applicable in the fine dining restaurant context. This study extends the knowledge of the S-O-R paradigm by emphasizing the role of emotional response as positive and negative emotions which predict perceived value in a fine dining restaurant context. Fine dining restaurant managers should consider both the benefits and sacrifices simultaneously to enhance the overall value of restaurants as a rational decision making process. Marketers and restaurateurs can use this study to improve their understanding of perceived value by considering two benefits: food quality and service quality, and the two sacrifices of monetary cost and nonmonetary cost. Emotional marketing strategies are additional marketing tools to create competitive advantage and to develop business strategies by enhancing positive emotion with a pleasant atmosphere, high food quality, and extraordinary service quality. Restaurant managers should emphasize the role of positive emotion toward perceived value development.

Marketers can use this study to understand consumers in both target groups. A new insight is gained into Thai consumers who are concerned about perceived value. With the improvement of food quality and the provision of extraordinary service quality, positive emotion can be engendered. Restaurateurs should employ emotional strategies to enhance positive emotion among Thai consumers by providing a pleasant atmosphere and high service quality. The three benefits of atmosphere, food and service quality are important for Thai consumers. In addition, customer perceived value and monetary cost play an important role toward fine dining restaurants selection for Thai consumers. For expatriates, the restaurant manager should engender positive emotion in the form of emotional marketing strategies with the benefits of an attractive atmosphere and extraordinary service quality. Finally, positive emotion influences the cognitive process by improving the perceived value among expatriates, which in turn affects fine dining restaurant selection. Expatriates were not concerned about sacrifices of monetary and nonmonetary cost toward overall customer perceived value development and restaurant selection. Additionally, value adding and emotional marketing strategies are the primary tools which contribute benefits to various industries, such as the restaurant, hospitality and tourism industries.

Limitations and Future Research

This study focuses on customer perceived value in fine dining restaurants and restaurant selection based on only the Bangkok area. The sample size is quite limited and covers only a limited area in only one region of Thailand. For future research, emotional response should be investigated for the development of perceived value in different industries. More research should be conducted in the hospitality and tourism industries to extend and broaden the scope of this study by employing replication. Multiple group analysis should be replicated for different demographic characteristics such as age, gender, income and frequency of dining out.

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