



Effect of experiential value on customer satisfaction with service encounters in luxury-hotel restaurants

Cedric Hsi-Jui Wu^a, Rong-Da Liang^{b,*}

^a Department of Business Administration, National Dong-Hwa University, Hualien county, Taiwan

^b Department of Marketing and Logistics Management, National Penghu University, Penghu County, Taiwan

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ABSTRACT

Exactly how the restaurant industry creates good quality service experiences has attracted the attention of scholars and practitioners. Some scholars advocate creating high quality service encounters to enhance customer satisfaction. However, recent research has not examined hotel restaurant service, and a detailed understanding of its potential effects on the customer meal experience and customer satisfaction is needed. Consequently, this study of service encounters and restaurant consumer behavior constructed a comprehensive framework via a literature review. Empirical data were collected by a questionnaire distributed to luxury-hotel restaurant customers. The empirical results indicated that restaurant environmental factors and interactions with service employees and other consumers positively influence the consumer experiential value. Additionally, only interactive relationships with service employees directly and positively affect consumer satisfaction. Restaurant environment factors and interactions with other consumers indirectly and positively influence consumer satisfaction through experiential value. Finally, with respect to marketing and development initiatives, the results of this study can help improve the physical attractiveness of the examined luxury-hotel restaurants.

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1. Introduction

Exactly how the restaurant industry provides high quality lodging and food experiences has attracted the attention of scholars and practitioners (Davis and Vollmann, 1990; Dubé et al., 1994; Jensen and Hansen, 2007). Once consumers are satisfied with a service and its associated products, they become more likely to re-purchase or shop, which then increases company profits (Gupta et al., 2007; Heskett et al., 2004). Scholars have explored many different perspectives of how customer satisfaction is achieved by meeting customer needs. For instance, Sulek and Hensley (2004), in a survey of 239 service staff in a full-service restaurant in the southeastern United States, found that food quality, restaurant atmosphere and fairness and efficiency of seating procedures significantly influence customer satisfaction. Additionally, service quality, personnel response, food price and convenience directly influence customer satisfaction with their meal experience (Dubé et al., 1994; Robson, 1999; Sulek and Hensley, 2004).

Marketing scholars have also postulated that customer service encounters instill good customer impressions of a company (e.g.,

Grove et al., 1998). Customer service encounters are defined as the lasting personal impressions that customers receive upon first encountering a product, service and/or company, which they hopefully take with them and communicate to others (Pine and Gilmore, 1998, 1999; Poulsson and Kale, 2004). Customer service encounters can also provide basic information about customer preference, and businesses can use this information to improve their service. In the literature on customer service encounters, Shieh and Cheng (2007) analyzed several studies of the relationship between user experience and satisfaction; Keng et al. (2007) studied the relationships among sales interaction, online contact, customer experiential value and behavior intention; Mathwick et al. (2002) investigated the effect of environmental design on experiential value (including consumer return on investment, service excellence, playfulness and aesthetics).

However, consumer dining experiences and the significance of customer value in restaurant management have seldom been studied empirically (Andersson and Mossberg, 2004; Jonsson, 2004). Jensen and Hansen (2007), in a study of consumption behavior in restaurant customers, found that customer cognitions regarding the meal experience depend on their information-seeking behavior, whether or not they have a pleasant attitude and whether or not they perceive value. They measured customer value according to excellence, harmony, emotional stimulation, acknowledgement and circumstance value. Additionally, Spark

* Corresponding author.

E-mail address: austra@ms53.url.com.tw (R.-D. Liang).

et al. (2008) investigated the correlation between customer value and satisfaction in the timeshare industry. Moreover, Spark et al. (2008) and Jensen and Hansen (2007) mentioned that future studies would empirically study the “relationship between customer value and satisfaction and related dimensions of customer value after customers receive service from food and tourism products.” Research in pre-factors affecting customer value and satisfaction therefore remains inadequate.

Consequently, this work stressed the design of service encounter factors in the restaurant business and the relationship between customer service encounters and satisfaction. Overall, exactly how antecedents, experiential value and customer satisfaction are related to the dining service environments is of priority concern.

This study has the following objectives. After examining the associations between service encounter elements, experiential value and customer satisfaction, an overall concept and framework were proposed to examine these relationships. Four- and five-star hotel restaurants in Taiwan were then sampled due to their high quality service and excellent atmosphere as well as their high prioritization of meeting customer needs. Finally, a linear structural model was performed to examine how these variables are related and, hopefully, to help scholars and practitioners understand how to design profitable restaurants that successfully attract and satisfy consumers.

2. Literature review

2.1. Consumer satisfaction

Oliver (1997) described satisfaction as “a judgment that a product or service feature, or the product or service itself, provides pleasurable consumption related fulfillment”. Satisfaction is thus conceived as a fulfillment response employed to understand and evaluate the consumer experience. Additionally, consumer satisfaction is an attitude change resulting from the consumption experience (Oliver, 1981). Gibson (2005b), in a study of the hospitality industry, found that satisfied consumers become repeat purchasers of products or services and provide family or friends with positive feedback regarding their experiences. Hence, understanding what influences consumer satisfaction can help business owners and managers design and deliver appropriate offers that cater to market demand. Consequently, this study applied the measure of consumer satisfaction developed by Oliver (1997) and later applied in related research in consumer satisfaction (e.g., McCollough et al., 2000).

2.2. Service encounter elements

Service encounter elements are often studied by service marketing scholars to reveal personal interaction because increasing the pleasure of service encounters can “reduce the perceived risk associated with purchasing a service and improve the buying experience” (Julian and Ramaseshan, 1994). Service encounter elements are thus the antecedents of experiential value. The influence of service encounter elements can be reduced to three main components (Baker, 1987; Bitner, 1992; Baker et al., 2002; Keng et al., 2007).

The first is environmental elements, *i.e.*, consumer interactions with intangible and tangible elements in the service environment (e.g., lighting, music and internal and external environmental design) or the periods during which a consumer interacts with physical facilities and other tangible elements in the service environment (Bitner, 1990). Baker et al. (2002) proposed three store environment cues (social, design and ambient) as exogenous constructs. These cues, which correlate with consumer merchandise value, subsequently influence patronage.

The second component comprises service employee factors, including the kind of employees providing service to consumers. Hence, the interactive relationship between consumers and service employees is important to consumer evaluations. Specific behaviors, including the behavior of service employees, are the key determinants of perceived service quality and also of consumer satisfaction (Andaleeb and Conway, 2006; Wu and Liang, 2005). Keng et al. (2007) found that personal interaction encounters and physical environmental interaction encounters positively influence customer experiential value.

The third component is consumer factors such as whether the consumer is influenced by the appearance, behavior and perceptions of other customers (Bitner, 1992; Baker, 1987; Baker et al., 2002). Moreover, the observed behavior of other consumers affects consumer perceptions. Because consumer-to-consumer interactions can influence consumer service satisfaction, managers must be sensitive to such interactions (Baker and Cameron, 1996; Brocato and Kleiser, 2005; Sommer and Sommer, 1989). One consumer-to-consumer interaction is social facilitation, which positively impacts consumer-to-consumer interaction and provides entertainment. The second type is social intrusion, in which customer service satisfaction is adversely impacted by the consumer perception that other consumers in the service setting are intruders. Negatively affected states may result when other customers are unwelcome. For example, others may engage in behaviors viewed by consumers as intrusions on their personal space, such as smoking or talking loudly (Baker and Cameron, 1996).

Fiore and Kim (2007) presented a conceptual framework for the influences on the consumption experience exerted by environmental variable inputs (*i.e.*, the physical elements of the service environment), individual variables (namely, individual attributes such as intelligence), and person-environment interaction variables or situations (e.g., shopping with friends). Overall, this work posits that environmental factors, including interactions with service employees or other consumers, influence how consumers subjectively judge their service experience. The value of experience thus increases when service encounter elements are perceived as positive.

H1. Positive cognition regarding physical environment factors and perceived experiential value are positively related.

H2. Positive cognition regarding interactions with service employees and perceived experiential value are positively related.

H3. Positive cognition regarding interactions with other consumers and perceived experiential value are positively related.

The physical environment may provide cues regarding the influence of consumer perceptions on the brand image of business. Hutton and Richardson (1995) proposed that a health center environment positively impacts its consumer satisfaction. Other scholars have posited that environment influences consumer satisfaction (Baker et al., 2002; Bitner, 1990; Minor et al., 2004). For example, Sulek and Hensley (2004) argued that the atmosphere of a restaurant significantly affects its customer satisfaction.

Both service employees and consumers influence cognition, emotion and physiological response regarding service environments. For instance, Bitner (1992) proposed that businesses deliver service in a manner that encourages customers to participate in service activities and to interact with service employees. Additionally, Brocato and Kleiser (2005) proposed that the presence of other consumers in the same service environment may directly influence individual satisfaction. This investigation thus concludes that satisfaction level increases with service

encounter elements, including physical environmental factors and interaction with service employees and other consumers.

H4. Positive cognition regarding physical environment factors and consumer satisfaction are positively related.

H5. Positive cognition regarding interactions with service employees and consumer satisfaction are positively related.

H6. Positive cognition regarding interactions with other consumers and consumer satisfaction are positively related.

2.3. *Experiential values*

Contemporary studies of value consistently define value as derived from using a product or service. For instance, Holbrook (1999) defined consumer value as an “interactive relativistic preference experience”, which emphasizes the transaction between product and user from which value is derived. Here, the definition of preference assumes that consumers purchase products and services to achieve value-related goals or to obtain their benefits. Similarly, Woodall (2003, p. 21) defined value as the “personal perception of advantage arising out of customer association with the offerings of an organization”. A frequently cited framework for consumer value is the typology presented by Holbrook (1999). This framework defines eight values based on three pairs of dimensions: extrinsic/intrinsic, self-orientation/other-orientation and active/reactive. The eight consumer values included in this scheme are efficiency, excellence, play, aesthetics, politics, morality, self esteem and spirituality.

Relevant literature contains numerous perspectives for examining consumer value. However, experiential value and its effect on consumer satisfaction is rarely addressed. This study follows this precedent by focusing on experiential value in restaurant customers. Additionally, experiential value differs from instrumental (utilitarian) value, which refers to shopping efficiency and making good product choices by logically assessing information about product performance and functionality (Fiore and Kim, 2007). Experiential value perceptions are based on interactions involving either direct usage or distant appreciation of goods or services. These interactions provide the basis for the preferences of the individuals involved (Mathwick et al., 2002).

Mathwick et al. (2001) devised an experimental value scale (EVS) for measuring these four sub-dimensions of customer experiential value. The EVS measures consumer return on investment, service excellence, escapism and aesthetic appeal. Keng et al. (2007) analyzed the shopping mall industry to demonstrate how experiential value (including efficiency value, aesthetics value, excellence value and playfulness value) affects behavioral intention. Efficiency value reflects the utilitarian aspects of shopping and describes active investment in economic, temporal, behavioral and psychological resources that may yield positive returns. Customers view aesthetics as a reactive aspect of the customer experience. Perceived aesthetic value is a reaction to the consonance and unity of a physical object, cadency or performance. Meanwhile, perceived excellence value reflects product performance and the generalized consumer appreciation of a service provider who demonstrates expertise and maintains reliable service. Finally, perceived playfulness, which is experienced by customers themselves, is internal, initiative and self-oriented.

According to the definition and dimensions of experiential value, a few studies have examined how the variables are related. Smith and Colgate (2007) indicated that experiential/hedonic value is derived from how a product creates appropriate experiences, feelings and emotions in a customer. Thus, most

restaurants and some retailing companies focus heavily on sensory value (such as aesthetics, ambiance, aroma fee/tone). Lee and Bang (2004) examined online shopping behavior and proposed that consumer online shopping value (utilitarian and experiential value) positively influences consumer satisfaction. Gallarza and Gil-Saura (2006) proposed that perceived value is a direct antecedent of consumer satisfaction. Moreover, Shieh and Cheng (2007) tested a consumer behavioral model of adolescent and young adult online gamers and proposed that experiential constructs (social function, empathy and escapism) positively impact satisfaction. Furthermore, Sparks et al. (2007) found that consumer values positively and significantly correlate with satisfaction with timeshare product. Based on these findings, this investigation hypothesizes that satisfaction increases with experiential value.

H7. Perceived experiential value and customer satisfaction are positively related.

3. Research method

3.1. *Research framework*

Based on the above literature review and hypotheses, this study proposes an integrated research model (Fig. 1). The following section outlines the related scale and definitions.

3.2. *Operational definition of variables*

This investigation used a 7-point Likert scale to rate the questionnaire responses from 1 (strongly disagree) to 7 (strongly agree) using questions modified from previous consumer behavior studies. First, variable dimensions of questionnaire forms were obtained from the literature. These dimensions were then modified to develop initial questionnaires based on industry features (e.g., service quality, food quality and delivery speed). Third, tests were repeatedly administered to four professional restaurant managers. Fourth, pilot runs of the questionnaire were administered to fifty-four and fifty customers in the Tayih Landis restaurant in Tainan city and the Farglory hotel restaurant in Hualien city, respectively. Questions were eliminated in response to (1) respondent suggestions and (2) item factor loading. Operational definitions for all variables and measurement tools are presented below.

- (1) Service encounter elements included restaurant environment and interactions with service employees and other consumers during service encounters. By definition, restaurant environment measures consumer perceptions of the environment (Wakefield and Baker, 1998). Interaction with service employees was defined as consumer perceptions of the attitudes and behavior of service employees (Baker et al., 2002). Interaction with other consumers was defined as consumer perceptions of their interactions with other consumers (Huang, 2003). The three measures were assessed using five, three and three items, respectively.
- (2) Experiential value was defined as consumer assessments of service efficiency, service excellence, aesthetics and playfulness in service encounters. This work adopted the four dimensions proposed by Mathwick et al. (2001) as scale questions and included three questions on each dimension.
- (3) Consumer satisfaction was defined as pleasure obtained from the product and service. Scales and recommendations obtained from Oliver (1997), Anderson et al. (1994) were modified to fit the study objectives and the characteristics of the restaurant

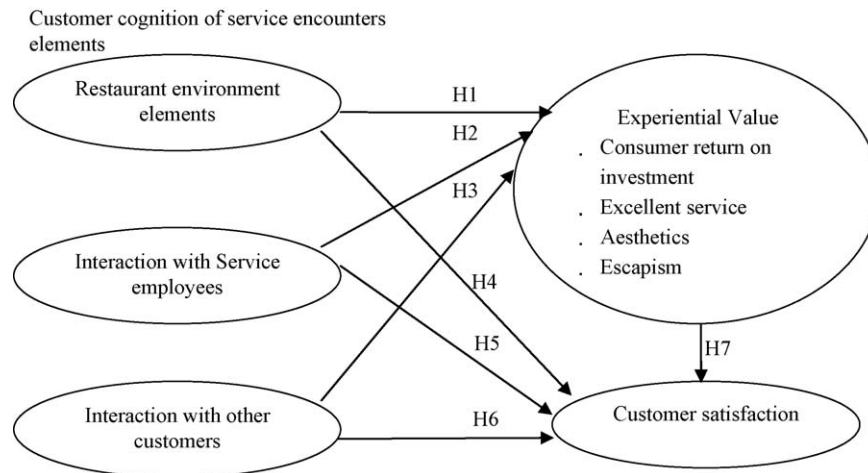


Fig. 1. Research framework.

industry. The survey included two questions related to this factor.

3.3. Sampling method

This investigation focused on the luxury hotel-restaurant industry for three reasons. First, excellent food is an integral aspect of the luxury hotel experience, and giving consumers a good impression is essential (Sulek and Hensley, 2004). Second, the luxury hotel industry meets diversified consumer needs. Finally, consumers pay a significant premium for a memorable dining experience.

Based on the 'Hotel Class Appraisal System' developed by the Taiwan Tourism Bureau (2006) for luxury-hotel restaurant classification, this study analyzed the restaurant industry by sampling four-star (first class) and five-star (luxury) hotel restaurants. Because luxury-hotel restaurants are subject to stringent inspection and high standards in terms of software and hardware, four- and five-star hotel restaurants must provide an exceptional dining experience. Thus, these top-tier facilities were selected for sampling in this study.

The sampled hotel restaurants were divided into the following geographic regions: Northern, Central, Southern and Eastern groups. Forty-nine restaurants were identified in the Northern Area, eight in the Central Area, nineteen in the Southern Area, and nine in the Eastern Area. This work selected three luxury-hotel restaurants in each area using random sampling.

Questionnaires were distributed and collected by research personnel between March 1 and April 30 of 2006 (about 2 months). Research personnel asked consumers to complete the questionnaire after dining in the restaurant. Of 482 questionnaires distributed to consumers, 408 complete questionnaires were collected. Of these, 392 were valid: 180, 40, 80 and 92 questionnaires were obtained from the Northern, Central, Southern and Eastern restaurants, respectively.

Additionally, sampling amounts were directed to five to ten times of questionnaire options, ranged from 130 to 260 subjects, which was sufficiently large to obtain statistically significant conclusions. To maintain consistency, this study applied Chi-square distribution. Interviewee age and gender were relatively consistent, which validated further analysis of the study.

4. Statistical results

4.1. Sample profile

Table 1 lists the analytical results. Most of the respondents were female (53.3%), were aged 26–35 years old (28.3%), were currently dining with family members (46.7%), had learned about the restaurant from friends (53.6%) and were university educated (57.9%).

4.2. Factor and reliability analysis

This investigation analyzed the validity and reliability of all scales using exploratory factor analysis and Cronbach α coefficient. Principal component factor analyses with varimax rotation were performed to identify underlying dimensions associated with service encounter elements, experiential value and respondent satisfaction. Factors with eigenvalues exceeding 1 were considered significant and reported in the final factor structure, and all factors less than 1 were discarded. Additionally, all items with factor

Table 1
Profile of survey respondents.

Characteristics	Descriptions	Statistics	(%)
Gender	Male	183	(46.68)
	Female	209	(53.32)
Age	Younger than 25 years	64	(16.33)
	26–35	111	(28.32)
	36–45	85	(21.68)
	46–55	93	(23.72)
	56 and older	39	(9.95)
Go to restaurant with	Family	183	(46.68)
	Coworker	73	(18.62)
	Friend	91	(23.21)
	Classmate	24	(6.12)
	Other	21	(5.36)
Restaurant's information source from	Family	61	(15.56)
	Friends	210	(53.57)
	Journal	8	(2.04)
	Magazine and newspaper	22	(5.61)
	Web site	18	(4.59)
Education	Others	73	(18.62)
	Junior high school	6	(1.53)
	Senior high school	66	(16.84)
	Bachelors' degree	227	(57.91)
	Master's or doctorate degree	93	(23.72)

Table 2
Measure model analysis.

Dimension	Items	t value	Standard loading	Error	CR	AVE	α
Restaurant environment factors	The restaurant lighting is appropriate (EN1)	17.00	0.75	0.44	0.862	0.555	0.858
	The restaurant temperature is comfortable (EN2)	16.88	0.74	0.45			
	The restaurant environment is clean (EN3)	19.22	0.75	0.43			
	The restaurant architecture is impressive (EN4)	15.55	0.70	0.51			
	The colors of the wall and floor are complementary and coordinating (EN5)	18.20	0.78	0.39			
Interaction with service employee	The staffs provide a thorough and satisfactory service (EM1)	22.34	0.88	0.22	0.923	0.800	0.919
	The staffs are reliable (EM2)	24.51	0.93	0.13			
	The staffs are professional (EM3)	21.66	0.87	0.25			
Interaction with other consumer	Other dining customers are loud (CU1) ^a	14.88	0.7	0.51	0.840	0.643	0.821
	Other dining customers behave rudely (CU2) ^a	22.30	0.98	0.03			
	Other dining customers hit the table (CU3) ^a	14.57	0.69	0.53			
Fair price (Y1)	The restaurant offers a good service that is worth its price	23.45	0.95	0.10	0.882	0.789	0.877
	The prices are acceptable	19.11	0.82	0.32			
Time efficiency (Y2)	I do not think dining in the restaurant is a waste of time	17.22	0.78	0.39	0.792	0.656	0.781
	Dining in this restaurant improves my quality of life	18.84	0.84	0.30			
Excellent service (Y3)	The food provided in the restaurant is exquisite	19.66	0.81	0.34	0.885	0.719	0.884
	The service provided in the restaurant is attentive	21.20	0.85	0.27			
	Whenever I think of this restaurant, I appreciate its excellent service quality	22.25	0.88	0.23			
Aesthetics (Y4)	The food presented is delicate	20.00	0.82	0.32	0.885	0.719	0.880
	The furnishing of the restaurant is aesthetically appealing	21.98	0.87	0.24			
	The atmosphere of the restaurant is wonderful	20.95	0.85	0.28			
Escapism (Y5)	Dining in this restaurant is so enjoyable that makes me feel comfortable and released	23.50	0.91	0.18	0.943	0.848	0.942
	Dining in this restaurant makes me feel like being in another world	24.85	0.94	0.12			
	Dining in this restaurant released me from the reality and helps me truly enjoy myself	23.99	0.92	0.16			
Consumer satisfaction	I am satisfied with the restaurant staff (Y6)	24.28	0.93	0.14	0.941	0.889	0.940
	I am satisfied with the restaurant's service quality (Y7)	25.84	0.95	0.08			

$\chi^2 = 756.16$, $\chi^2/d.f. = 2.88$ (d.f. = 263), GFI (good-fit index) = 0.88, AGFI (adjusted good-fit index) = 0.83, NFI (normed-fit index) = 0.92, NNFI (non-normed-fit index) = 0.93, CFI (comparative fit index) = 0.95, IFI (incremental-fit index) = 0.95, RMR (root mean square residual) = 0.058, RMSEA (root mean square error of approximation) = 0.067, PNFI (parsimony normed-fit index) = 0.74, PGFI (parsimony goodness of fit index) = 0.66.

^a Reverse item.

loadings exceeding 0.5 were included whereas all items with factor loadings below 0.5 were removed. The analytical results for dimensions of variables (including service encounter elements, experiential value and customer satisfaction) were identical to those suggested in the literature (as listed in Table 2). Experiential value was thus analyzed in five dimensions, and all other scales measured the same dimensions as in previous studies. However, the restaurant prices are excessively high along with product quality dimension (Y1), and dining at this restaurant fits one's personal schedule dimension (Y2) are below 0.5. The two eliminated questions had reliability values of 0.87 and 0.78. Finally, the overall reliability for all scales exceeded the acceptable level of 0.7, as recommended by Nunnally (1978).

4.3. First stage: measurement model analysis

As suggested by Anderson and Gerbing (1988), this study adopted a two-stage approach to test the structural equation model. The first stage determined the adequacy of the measurement model. Restated, the measurement model was estimated separately before estimating the structural model. The structural equation model was constructed in the second stage. This procedure achieves a reliable measure because it avoids interaction between the measurement and structural models.

The final measurement model for all dimensions was further examined by confirmatory factor analysis (CFA). Table 2 lists the results. All adequacy indicators approached the ideal, and the *t* values for the factor loading of all measurement items reached statistical significance ($p < 0.05$). The CFA results suggested that

the Composite Reliability (CR), Average Variance Extracted (AVE), Reliability and Convergent Validity of all dimensions were acceptable.

Discriminated validity analysis was performed as recommended by Anderson and Gerbing (1988) by limiting the correlation coefficient of the paired dimensions to 1 then performing a Chi-square variance test of the limited and unlimited measurement patterns. If the Chi-square value of the limited pattern exceeds that of the unlimited measurement pattern and is statistically significant, then both dimensions have discriminant validity. Table 3 lists the results of discriminant validity analysis for all dimensions. The Chi-square values of limited patterns exceeded those of unlimited patterns and reached statistical significance, which confirmed discriminant validity for all dimensions.

4.4. Second stage: structural model analysis

The reliability and validity of all investigated dimensions were acceptable; thus, using a single measurement indicator rather than multiple measurement indicators was considered viable. The dimension scores for the experiential value and service encounter measurement patterns during the first stage were averaged, and the first stage dimensions were then used as measurement indicators during the second stage.

Regarding overall fitness of analysis patterns in this study, Bagozzi and Yi (1988) argued that a structural model can be implemented by using preliminary fit criteria, overall model fit and internal model fit. The analytical results indicated that the basic

Table 3
Discriminant validity analysis.

Pattern	χ^2	d.f.	$\Delta\chi^2$
Unlimited measurement pattern	255.87	55	–
Y1-Y2	339.52	56	83.65***
Y1-Y3	431.94	56	176.07***
Y1-Y4	460.75	56	204.88***
Y1-Y5	475.29	56	219.42***
Y2-Y3	328.46	56	72.59***
Y2-Y4	360.72	56	104.85***
Y2-Y5	384.64	56	128.77***
Y3-Y4	267.30	56	11.43***
Y3-Y5	623.10	56	367.23***
Y4-Y5	456.69	56	200.82***

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$.

fitness indicator used in this study (1) was not a significantly negative value, (2) did not have a factor loading that was too low (i.e., lower than 0.5) or too high (i.e., higher than 0.95) and (3) was statistically significant. All three conditions were met, as Table 4 shows; the results were generally acceptable.

Among the overall pattern fitness indicators, for Chi-square/d.f. = 3.25, GFI = 0.90, NFI = 0.93, NNFI = 0.94, RMR = 0.053 and RMSEA = 0.076, all indicators were tenable. Internal structural fitness was assessed using the following criteria: (1) individual reliability exceeding 0.5, (2) reliability of potential variable combination exceeding 0.7 and (3) AVE of potential variance exceeding 0.5. The analytical results suggested that all indicators were tenable; thus, this pattern exhibited good internal structural fitness.

4.5. Assessment of the hypothesized relationship

Hypotheses 1, 2, 3, 5 and 7 were significant, but Hypotheses 4 and 6 were not (Fig. 2). The restaurant environment revealed the strongest influence on consumer experiential value ($\gamma_{11} = 0.55$). Thus, managers should provide, for example, a comfortable environment with soft lighting. Second, consumers appreciate friendly interaction and reliable service by contact employees ($\gamma_{12} = 0.35$). Third, interaction between consumers increases experiential value ($\gamma_{13} = 0.07$). Consumer experiential value is influenced by the behavior of other customers, such as whether they shout or swear, which has a negative impact. To maximize the positive consumer experience, the likelihood of establishing

Table 4
Overall theory pattern analysis.

Dimension	Item	t	Standard loading	Error	CR	AVE
Restaurant environment factors	EN1	–	0.75	0.44	0.859	0.550
	EN2	14.63	0.75	0.44		
	EN3	14.74	0.76	0.43		
	EN4	13.13	0.68	0.54		
	EN5	15.04	0.77	0.41		
Interaction with service employee	EM1	–	0.88	0.22	0.922	0.797
	EM2	28.15	0.94	0.13		
	EM3	23.75	0.86	0.26		
Interaction with other consumer	CU1	–	0.69	0.52	0.798	0.576
	CU2	11.42	0.93	0.13		
	CU3	11.12	0.62	0.62		
Experiential value	Y1	–	0.50	0.75	0.872	0.587
	Y2	9.41	0.67	0.55		
	Y3	10.85	0.93	0.14		
	Y4	10.74	0.90	0.19		
	Y5	9.93	0.75	0.44		
Consumer satisfaction	Y6	–	0.92	0.15	0.938	0.884
	Y7	33.92	0.95	0.08		

$\chi^2 = 406.31$, $\chi^2/d.f. = 3.25$ (d.f. = 125), GFI = 0.90, AGFI = 0.86, NFI = 0.93, NNFI = 0.94, CFI = 0.95, IFI = 0.95, RMR = 0.053, RMSEA = 0.076, PNFI = 0.76, PGFI = 0.66.

positive experiential value depends on positive interactive relationships among consumers, service employees and the environment. When consumers eat in a restaurant, the interaction between consumers and service employees ($\gamma_{22} = 0.47$) has the most potential for boosting consumer satisfaction. Additionally, consumer experiential value ($\beta_{21} = 0.42$) positively influences consumer satisfaction.

5. Discussion

First, the restaurant environment and the interaction between staff and customers both affect the customer service encounter. This finding is consistent with Keng et al. (2007) and Sulek and Hensley (2004), both of which postulated that service environment, personnel and food quality influence customer service encounters. Three major factors influence customer service encounters: atmosphere, style and temperature. Providing high quality service encounters requires an optimal restaurant environment in all aspects, including lighting, atmosphere, style, etc.

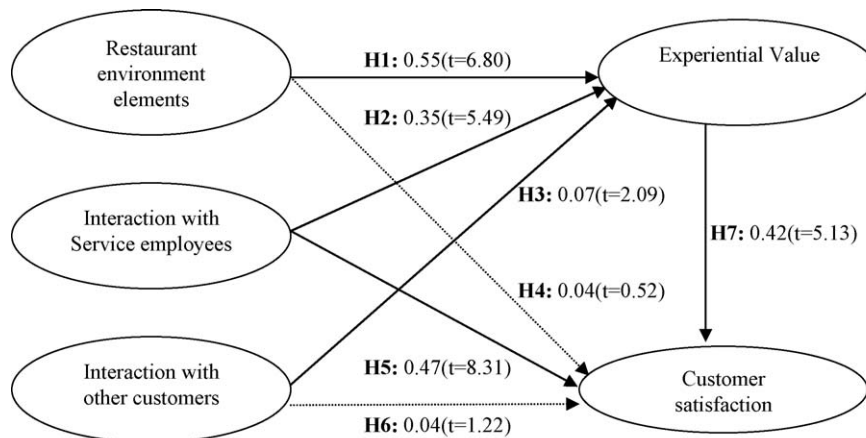


Fig. 2. The theoretical structural model: (a) solid lines: statistically significant; broken lines: nonsignificant. (b) When experiential value is the dependent variable, $R^2 = 0.76$; when consumer satisfaction is the dependent variable, $R^2 = 0.77$.

The friendliness and attitude of restaurant personnel are also important to high quality service encounters as well as inter-customer interactions.

Second, experiential value directly and positively affects customer satisfaction, meaning that customers with high experiential value tend to make positive satisfaction evaluations. Customers thus have different values (e.g., aesthetic design, fair price and positive service), which determines their satisfaction with the dining process. Gallarza and Gil-Saura (2006) proposed that high customer experiential value directly affects customer satisfaction. However, excellent service and artistic restaurant furnishings determine customer experiential value.

While personnel performance directly influences customer satisfaction, the restaurant environment and customer interaction do not significantly influence customer satisfaction. Personnel performance thus determines consumer experiential value and how they experience in pleasant meal procedure. However, the restaurant environment and customer interaction positively but indirectly influence customer satisfaction via experiential value. According to Bagozzi (1992), a service procedure framework includes three steps: evaluation, response and coping behavior. According to these analytical results, the restaurant environment and customer interaction have similar concepts of customer perceptions regarding service quality and experiential value as well as similar concepts regarding response. Therefore, customer evaluations are delivered, via experiential value, with their own satisfaction (coping step) created.

6. Conclusions and suggestions

6.1. Conclusion

The luxury hotel-restaurant industry is a unique and valuable industry that emphasizes the relationships among pre-factors, service encounter and customer satisfaction. The current literature lacks sufficient study and discussion of the behavior of dining customers (Andersson and Mossberg, 2004; Jonsson, 2004); consequently, Spark et al. (2008) and Jensen and Hansen (2007) argued for more empirical research in tourism and food products. Meanwhile, Warde and Martens (2000) proposed that examining the restaurant dining experience from the customer perspective can help improve professional knowledge and ability in the business. As suggested by Warde and Martens (2000), this study studied customers' cognition of meal experience by using a questionnaire approach and investigating the structural relationships of research framework.

Moreover, this study adopted the Bitner (1992) view that customer interaction is another important aspect of service contact affecting customer satisfaction. Three factors (i.e., restaurant environment, personnel performance and customer interaction) were found to directly and positively influence customer experiential value, and they explained 76% of the consumer experience. This study thus recommends adopting different theoretical perspectives (e.g., Bitner, 1992) to differentiate service encounter factors and to develop a model for measuring their influence on customer experiential value.

From a managerial perspective, this study provides restaurant owners with a better understanding of customer estimates of experiential value. To enhance customer experiential value, restaurant managers should focus on three service encounter factors: restaurant environment, personnel service performance and customer interaction. Regarding the service encounter factor, restaurant owners can enhance the visual appeal of the restaurant, for example, by changing fittings, furnishings and colors to enhance elegance and comfort. Employee–customer interaction can also be enhanced to improve customer satisfaction. Specifi-

cally, we suggest that hotel managers provide periodical personnel training sessions to improve attitude and response, employee appearance and service performance. Implementing these changes is likely to increase customer perceptions that personnel provide friendly and proactive service.

Second, high quality service, a pleasant atmosphere and an entertaining experience are essential for customer satisfaction. Both executives and service personnel can contribute to increasing quality and experiential value (Holbrook, 1999; Mathwick et al., 2002). The restaurant environment and service culture are based on management principles implemented by executives, front line service personnel and other support personnel who provide service and products.

6.2. Limitations and suggestions

Like all research, this study is not without shortcomings. The first limitation of this investigation was the questionnaire distribution. To avoid disturbing customers during meals, the questionnaires were issued after they had finished their meals; consequently, data sampling errors may have occurred.

Second, the sampling was limited to customers in four- and five-star hotel restaurants. This narrow sample may limit the applicability of the findings to the restaurant industry in general. Rather than focusing exclusively on four- and five-star hotel restaurants, we suggest further studies to examine different industries and products, which would provide a wider basis of comparison and identify more experiential quality factors.

Third, the experiential value items based on Mathwick et al. (2001) may have produced errors due to the different research industry (restaurant industry vs. Internet shopping industry). In this study, restaurant managers were interviewed to construct items to fit the characteristics of restaurant service and to avoid possible measurement errors. We suggest that future studies apply the present data or use a related method for the measurement or perhaps develop a new diagram using strict scientific processes.

Fourth, this study examines how different service encounter elements affect the customer dining experience and customer satisfaction. However, Schmitt (2003) argued that the interaction between service employees can create a comprehensive experience environment and service strategy. The current study did not discuss this interesting research issue. The authors therefore suggest that future studies examine how the interaction between service employees (such as teamwork) affects the customer experience from a customer perspective. Moreover, future studies may consider different perspectives (e.g., customer vs. employee) to examine how the interaction between employees influences the customer experience.

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