

## RESTAURANT BUSINESS AND DETERMINANTS OF CONSUMER BEHAVIORAL INTENSIONS

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### ABSTRACT

*This research aims to examine the influence between the restaurant physical environment, emotional response, hedonic experience and consumer behavioral intentions. The findings reveal that the three factors of the physical environment strongly and positively influence customer emotional response, hedonic experience and consumer behavioral intentions. Similarly, both emotional response and hedonic experience also strongly and positively affect consumer behavioral intentions. Hedonic experience was the most significant predictors that effect on consumer behavioral intentions. A total of 395 cases from a survey were used to assess overall fit of the proposed model and test hypotheses using SPSS via a self-administered questionnaire. The respondents of this survey are those whom had visited at RBT casual restaurant chain located in Guiyang City, Guizhou Province, China. This study emphasizes on how important it is that managers of restaurant consider the significance of the physical environment construct of design that it contributes positively to customer's emotional response, hedonic experience and consumer behavioral intentions of service settings. This research represents an attempt to develop a more comprehensive model which explains how physical environment affect customer emotional response, hedonic experience and consumer behavioral intentions.*

**Keywords:** Restaurant physical environment, emotional response, hedonic experience, consumer behavioral intentions.

### INTRODUCTION

Since 1980s, China has carried out an extensive and profound social changes, the most obvious result of this transformation is undoubtedly the rapid development of the market economy (Reportrc, 2012). China is therefore entered the era of mass consumption. People's consumption capacity, the level of consumption, consumer attitudes and consumer behavior has undergone tremendous change. The new economic reform in China has dramatically changed the hospitality industry, result in the emergence of several hotels and restaurants, local as well as international, in recent years (Doc88, 2012).

In the past 30 years under China's open-door policy, the consumption on restaurant industry is the important factor in boosting the domestic consumption. Su Qiucheng who is the president of the China Cuisine Association, he said that during the 30 years of China's opening up reform, the food and beverage industry is one of the highest degrees of market that the earliest start to develop, the fastest growing, and profit is the most obvious (Canyin168, 2013). According to Su Qiucheng's report, until 2013, the national food and beverage industry will maintain an average annual growth rate of 18%, retail sales reached 3.3 trillion Yuan. There are 100 brand catering enterprise group that an annual turnover of more than 10 billion Yuan, which cultivate local food specialties, strong cultural atmosphere, and social influence. The national catering industry attract more than 25 million employed population; building 800 staple food processing and distribution centers, 16 thousand chain and standardized breakfast sites; specification of a number of fast-food brands in the main cities. Initially formed as the main mass catering, a variety of dining formats balanced development, the overall catering industry development pattern adapt to the basic needs of people's food and beverage consumption (Chinairr, 2012).

Nowadays, various styles of restaurant provide selection for consumers. Some of the restaurants design is novel and unique, or romantic, or quiet elegance, or the vibrant stimulation, or grandeur, or small and exquisite; some show the urban scenery, some show the rustic. The styles include western style, Chinese style, or combine the two styles. Hence, a considerable number of restaurants make a big effort to design the décor and layout of the environment, attempting to create a distinctive and appealing image that could be satisfied by the present customers.

## **Research Background**

A restaurant is a place where people can satisfy their hunger and receive appropriate services (Jang, Liu, & Namkung, 2011). With the development of society, there are increasing environmental requirements of the food and beverage industry (Chinairr, 2012). In other words, the purpose of dining out is not just to satisfy hunger. The general purpose of dining at a restaurant is eating food with a series of services experience. In this respect, dining environment and service can be considered the most critical components for customers to determine satisfaction response (positive emotional response and hedonic experience) and future behaviors toward a restaurant.

It is a challenge for restaurant managers to understand how the physical evidences stimulate their customers' emotional response and dining experiences, then to manage improvement that promote positive emotions and reduce negative emotions, and provide a hedonic dining experience to their customer. In addition, consume behavioral intentions is a significant factor that service organizations have to pay more attention to it. So as to better understand the role of physical environment, emotional response and hedonic experience in services context, the present study seeks to increase our understanding of how restaurant physical environment affect emotional response, hedonic experience, and consumer behavioral intentions. Furthermore, face the fierce competitions, it is necessary to understand the relationship among emotional response, hedonic experience and consumer behavioral intentions, which could help the manager of service organizations to change and improve their service quality to attract more customers.

The current study concentrates on the casual restaurant of Guiyang City. According to the Guizhou Ministry of Commerce (Mofcom, 2012), the existing food and beverage service units to more than 10,000 households, of which catering units more than 3,000 households, and the remaining small restaurants, offices or schools' canteens and others in Guiyang City. The city has a certain scale restaurants around 1000, all kinds of casual restaurants, seafood restaurants, QianCai specialty stores, specialty a pot shop, fast-food restaurants and so forth. RBT casual restaurant is selected as the case of the current study that is one of the typical restaurants in Guiyang City.

RBT is a casual restaurant where the Chinese name is Xian Zonglin that development in Hong Kong in 1996, through modern management methods and the franchise system, it is greatly concerned in the casual dining industry. To provide consumers with all kinds of meals and drinks, which can develop in Hong Kong, Taiwan, China mainland, Canada, Australia, Malaysia and the Philippines to open more than one hundred stores in just a few years. (Resource from: RBT casual restaurant official website, 2012)

Restaurants' good taste or low price cannot be the only factor to attract customer for succeed. Today, customers are no longer willing to sacrifice poor service or dining environment (atmosphere) for good taste, in contrast, they seek a pleasant emotional response and a wonderful dining experience in restaurants (Bitner, 1992; Sherman *et. al.*, 1997). These researchers discussed that an excellent overall dining experience via delicious food in conjunction with comfortable atmosphere and high-quality service needs to be achieved to meet customers' requirements.

Simultaneously, the role of emotion has gained attention as a central element in understanding service encounters and experiences (Richins, 1997; Oliver, 1997; Mattila & Enz, 2002), with academic research showing that emotions experienced in an outlet environment can affect service outcomes, such as behavioral intentions (Baker, *et. al.*, 1992; Donovan, *et. al.*, 1994; Sherman, *et. al.*, 1997). Behavioral intentions in this study including positive word of mouth, repeat patronage, and more consumption intentions. As services are produced and consumed simultaneously, customer affective responses to various cues within service environments have a strong impact on perceptions and behavior (Baker *et. al.*, 2002; Chang, 2000; Tsai & Huang, 2002). Furthermore, a complementary view, which also considered the emotional side of customer experiences, was discussed, as hedonic experience, by Hirschman and Holbrook (1982). Current consumers not only focus on the product but that they pay more attention to the surrounding conditions that affect them. Thus, hedonic experience could create wonderful memory to customers that keep old customers and attract new customers.

Studies of the effect of service physical environment on consumer emotion, consumption experience and consumer behavior intention has been well explored by various marketing researcher, yet, the study has been separated individually. Additionally, it is still no previous research has included consumer behavioral intentions influenced by both emotional response and hedonic experience. Some previous studies used emotional response as a mediator to test the relationship between physical environments and consumer behavioral intentions (Mehrabian & Russell, 1974). The findings of the previous research displayed that emotional response significant influence on consumer behavioral intentions. For instance, behavioral intentions are influenced by emotional response during the pre-, actual and post-consumption stages of the service encounter (Oliver, 1997; Cronin *et. al.*, 2000; Barsky & Nash, 2002). Consequently, it is an opportunity for this study that did not

set mediation but directly test the relationship between emotional responses and consumer behavioral intentions.

Hedonic experience or consumption is a new and interesting marketing field for marketers. The hedonic aspects of the consumption experience, such as the affective response of excitement can evoke joy feeling and induce consumer intentions (Wakefield & Baker 1998; O'Curry & Strahilevitz, 2001). Thus, hedonic experience is a crucial construct that closely associated to consumer behavioral intentions; nevertheless, there are limited literatures on this point. This has restricted the understanding of how hedonic experience provided by restaurant influence customer behavioral intentions. Hence a model can be set to explore that comprehensively combines the factors of physical environments, emotional and hedonic experience towards consumer behavioral intentions is still lacking. Pointing out these gap, the current study firstly attempts to propose and empirically test emotional response, hedonic experience and consumer behavioral intentions influenced by restaurant physical environment in order to better understand the effect of physical environments on service results; while secondly proposed using emotional response and hedonic experience play a key role in a physical environment to affect consumer behavioral intentions.

### **Research Objectives**

1. To examine the influence of restaurant physical environment on emotional response, hedonic experience and consumer behavioral intentions.
2. To examine the influence of emotional response and hedonic experience on consumer behavioral intentions.

### **Research Questions**

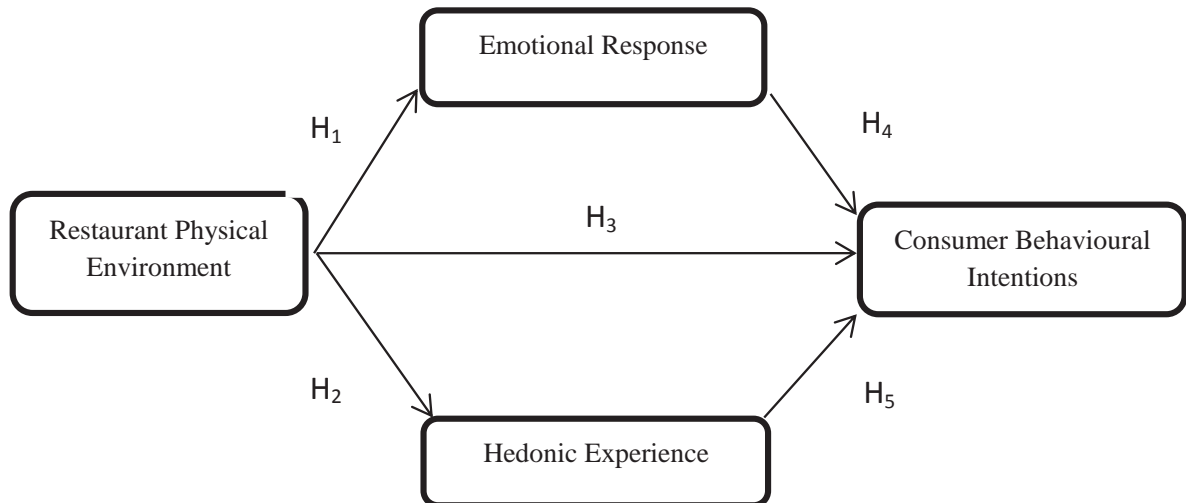
1. Do the elements of restaurant physical environment that provided by RBT casual restaurant influence customer's emotional response, hedonic experience and consumer behavioral intentions?
2. Do emotional response and hedonic experience influence consumer behavioral intentions?

### **Research Hypothesis**

- H<sub>1</sub>: Restaurant physical environment has a significant and positive influence on emotional response.
- H<sub>2</sub>: Restaurant physical environment has a significant and positive influence on hedonic experience.
- H<sub>3</sub>: Restaurant physical environment has a significant and positive influence on consumer behavioral intentions.

H<sub>4</sub>: Emotional response has a significant and positive influence on consumer behavioral intentions.

H<sub>5</sub>: Hedonic experience has a significant and positive influence on consumer behavioral intentions.



**Figure 1: Conceptual Framework**

## LITERATURE REVIEW

### Restaurant Physical Environment

The physical environment, referred to as “atmospherics” (Donovan et. al., 1994; Jang, Liu, & Namkung, 2011). Compare with the past years, people attach importance to select a pleasant atmosphere to spend time and money. Current consumers are increasingly interested in higher-quality of foods, healthier food choices, better dining environment and atmosphere, better physical eating conditions, and better customer service (Arnold & Reynolds, 2003). Consequently, if restaurant or café managers provide a favorite environment for customer, it will attract and retain more customers.

Service environment is also called *servicescape* (Bitner, 1992). Bitner claimed *servicescape* is the man-made physical surrounding, which may invoke in customers desire to stay and in employees a willingness to work. This term is modeled after the term “landscape,” but refers to a service context. The term *servicescape* refers to the style and appearance of the physical surroundings and also includes other elements of the service environment that shape customers’ experience. Once designed and built, service environments are not easily changed (Lovelock, 2009). Wakefield and Blodgett (1996) developed the *servicescape* scale using the following factors: the accessibility of design, the aesthetics of facilities, seating comfort, electronic equipment and posters, cleanliness, the desire to be in a place, perceived quality and satisfaction. Therefore, Temessek (2009) established that physical environments are at the “core of the service”. He recommended

“working on the functional and aesthetic side, the décor, and the design of the environment that will help improve the experience and reduce the waiting time”.

### **Emotional Response**

Every individual has both physical and psychological needs. Contemporary trend, hospitality organization should provide hedonic service to customers, such as tourism and food and beverage industry, are good examples of experiences that are able to evoke customers emotional response. Actually, emotional response is harmful to define. Numerous definitions of emotions have been proposed in the psychology literature and no consensus on any given definition has been reached. Bourne and Russo (1998), who define emotion as a “subjective internal state that has biological, cognitive and social components”. Certainly, exposure to stimuli gives rise to a state of positive or negative autonomic arousal, provoking a cognitive analysis of the stimuli, which then provokes a physiological reaction leading to a feeling best described as emotion.

Emotional responses explained that feeling are a result of the *servicescape* (Martin, O'Neill, Hubbard, & Palmer, 2008). Emotional responses do not involve thinking, they simply happen, often unexplainably and suddenly. Specific songs, for example, may make individuals feel happy or sad, or recreate other past feelings that were associated with the particular piece of music. Scents have similar effects on individuals. Obviously, the goal of effective physical evidence management is to stimulate positive emotions that create atmospheres in which employees love to work and customers want to spend their time and money.

### **Hedonic Experience**

In daily life, people face so various restaurants that they have too many choices. However, why some restaurants are more popular than others? The reason based on whether the business could provide a comfortable atmosphere for their customers, who create the customers' enjoyable experience that they feel the consumption is pleasure. Hedonic consumption has been considered pleasure, fantasy, and fun (e.g. Vacationing in Las Vegas) (Hirschman & Holbrook, 1982), while utilitarian consumption is described as goal-oriented consumption that is mainly driven by the desire to fill a basic need or to accomplish a functional task (e.g. the consumption of laundry detergent to wash clothes) (Ryu, Han, & Jang, 2010). If a restaurant manager can give some innovative ideas that could attract customers' attention, it will increase the sales. Such as pleasant atmosphere, great products, high quality service, which make customer feel better then they will make positive consume decision. They also will introduce this good experience to their friends, which help the restaurant to attract more customers. Ryu, Han, and Jang, (2010) assumed that hedonic experiences also produce positive emotion, like joy, pleasure and favorite, which have a strong impact on perceptions and future behavioral intensions. For example, pleasure derived from the service environment influences in-store behaviors such as spending levels, amount of time spent in the store, and willingness to service firms have a strategic stake in understanding how service environments foster customer's positive emotions (Sherman *et. al.*, 1997).

By the argument of Ryu, Han, and Jang, (2010), not all consumption experiences in the restaurant industry evoke the same emotional states. The feelings associated with goal-oriented or “necessary” consumption (e.g. ordering healthy food in a restaurant due to weight gain concerns) may not be the same as the feelings associated with more pleasure-oriented or “frivolous” consumption (e.g. enjoying the music in a restaurant). Hirschman and Holbrook (1982) noted that contemporary consumers are as likely to be hedonistic, they use consumption to make statements about themselves, they use consumption to create their identities and they develop a sense of belonging through consumption. For example, colleagues enjoy a drink after work or children hosting their birthday parties at McDonalds, enabling them to define their circle of friends.

The following, based on hedonic consumption it have to mention hedonic value and hedonic evaluation. Similar to Hirschman and Holbrook (1982) assertions, hedonic value can be defined as being “more subjective and personal than its utilitarian counterpart and resulting more from fun and playfulness than from task completion” (Babin *et. al.*, 1994). Hedonic values are non-instrumental, experiential, and affective and often related to non-tangible retailer/product attributes (Ryu, Han, &Jang, 2010). Disney create a fantasy world, before people consume, they have already known that Disney is a place in which could bring beautiful memories to them. Based on the perspective of hedonic value, people are willing to be a consumer to Disney. Hedonic evaluation is more affective nature than cognitive nature (Ballantine & Parsons 2010). Hedonic evaluation determined by the exciting experience, consumption entertainment and emotional potential, which have a closely effects on the future consumer intention, positive word-of-mouth, and repurchase intention.

### **Consumer Behavioral Intentions**

Behavioral intention is defined as “the degree to which a person has formulated conscious plans to perform or not perform some specified future behavior” (Warshaw & Davis, 1985). It represents an individual’s expectations about a particular behavior in a given setting and can be operationalized as “likelihood to act” (Fishbein & Ajzen, 1975). In this study, behavioral intention refers to a restaurant customer’s anticipation of repeat patronage, recommendation, and favorable word-of-mouth behavior in the future.

Marketers have been committed to research the consumer behavioral intentions. Many previous studies are derived from assumptions, learning theories and practice, the behavior of a particular object approximation intends to enforce this behavior. Intention represents a person's conscious plan to exert effort to carry out a behavior (Eagly & Chaiken, 1993). A well-known and pleasant dining environment lowers the level of perceived risk experienced by customers and, in some instances, it is high related to the further consumer behavioral intentions, such as accelerate consumers’ making decision’s speed. As an example, the customer who is moving to a new town may bypass personal referrals and automatically seek out the most familiar restaurant for dinner and auto insurance needs based on the restaurant’s good image that they used to experience ever.

### **SOR Model**

The physical environment is an important determinant of consumer psychology (e.g. disconfirmation and satisfaction) and behavior (e.g. patronage and word-of-mouth) when a

service is consumed primarily for hedonic purposes and when customers spend moderate to long time periods in the atmospheric place (Ryu & Jang, 2007). The science of utilizing physical evidence to create service environments and its influence on the perception and behaviors of individuals is referred to as environmental psychology (Hui & Bateson 1991). The stimulus-organism-response (SOR) model was developed by environment psychologists (Mehrabian & Russell, 1974) to help explain the effects of the service environment on consumer behavior.

- A set of stimuli (sight, sound, touch, taste, and smell);
- An organism component (employees/customers who are recipients of stimuli); and
- A set of responses or outcomes (approach/avoidance behaviors by employee/customers).

In a service context, the different elements of the restaurant's physical evidence, such as decoration, lighting, music, and so on, compose the set of stimuli. Stimuli are gathered through the five senses (sight, sound, touch, taste, and smell) and can be effectively managed to create compelling service atmospheres. Once received and interpreted by an individual, the composite stimulus lead to evaluations and perceptions about the service via the restaurant's environment. Consequently, even though an individual may have never been to a particular restaurant before, he or she notices the ambient conditions to evaluate the restaurant, and then make a consume decision.

### **Restaurant Physical Environment and Emotional Response**

Previous research points out that physical design is able to evoke people's feelings. Bitner (1992) claims that any environment, whether natural or manmade, can be located in a two-dimensional space that reflects people's emotional response to the environment. Wasserman *et. al.*, (2000) contend that different restaurant layouts and interior design influenced customers' emotions. Furthermore, Mehrabian and Russell (1974) determine that certain environments are able to elicit customers' feelings of pleasure. Pine and Gilmore (1998) argue that an effective physical design is concise, compelling, and engaging to all the senses.

Mehrabian-Russell (M-R model) (Mehrabian & Russell, 1974) first proposed a model to show individual's perceptions and behaviors, within a specified environment, are result of emotional states created by the environmental psychology. Specifically, environmental stimuli affect emotional states of pleasure and arousal that in turn affect behaviors. In the M-R model, Mehrabian and Russell indicated emotional responses usually are measured using the pleasure, arousal, and dominance (PAD) scale. These dimensions can explain any emotional responses to environmental stimuli, in turn, produce approach or avoidance behavior. It is said from PAD scale, pleasure refers to the affective state of feeling good, happy, pleased or joyful. Arousal is the extent to which an individual feels stimulated, excited, alert or active, while dominance is the degree to which an individual feels stimulated, in control, or important. Pleasure and arousal both positively influence further consume behavioral intentions.

Although the M-R model was not originally developed in a consumption setting, it has been validated as appropriate for explaining the effect of atmospherics and environments on consumer behavior in different consumption settings like retail stores, hotels, and



restaurants (Baker & Cameron, 1996; Countryman & Jang, 2006; Ryu & Jang, 2007; Ryu & Jang, 2008; Jang & Namkung, 2009).

### **Restaurant Physical Environment and Hedonic Experience**

When consumers enter a restaurant they do not experience in isolation (Schmitt, 1999). For instance, they do not smell the scent without seeing the lighting and colors as well; they do not listen to the music without looking around for decoration; they do not walk in the store without feeling the ambient temperature. Consequently, we have to admit that assess atmospherics and environment should from a more holistic perspective. From Pine and Gilmore (1998), physical environment has a closely relationship with hedonic experience. Disney is a typical example for people to pursue hedonic experience, because of the fantasy environmental conditions and pleasant atmosphere. Temessek (2009) defines the physical environment of a service as “a set of artificial, natural and social conditions, partially controllable, which exert (alone or in interaction) an influence over the affective, cognitive psychological and behavioral state of those who interact with the service (customers and employees)”. Consumers perceive service environment includes both tangible and intangible design space influences, both of which can affect consumption experiences (Puccinelli *et. al.*, 2009). In another word, customer’s dining experience and expectation determine whether they will return or not to return in the restaurant. It depends on the holistic and separate service environment. Researchers such as Schmitt (1999) popularized the concept of experiential marketing as a marketing process that integrates the sensations, feelings, thoughts, acts and relations that a company generates in its consumers.

### **Restaurant Physical Environment and Consumer Behavioral Intentions**

Service escape has been accepted as an important determinant of customer psychology (e.g. favorable emotions) and behavior (e.g. revisited, positive word of mouth) when a service is consumed primarily for hedonic reasons and when customers spend moderate to long time in the service delivery setting (Wakefield & Blodgett, 1994). For instance, customers of restaurant often spend few hours or more, sensing physical surroundings consciously and unconsciously before, during, and after their meal. Although foods and services should be of acceptable quality, pleasing service escape may play a vital role affect the degree of positive emotions and subsequent behavior (Donovan & Rossiter, 1982; Mehrabian & Russell, 1974).

Although the M-R model (specific explanation will be given in the section of emotional response) emphasizes that the environment affects human behavior through emotional responses, several empirical studies have found that atmospherics can also directly influence consumer behavior/behavioral intentions. For instance, previous researchers have incorporated behavioral intentions, such as willingness to repeat purchase, willingness to recommend to others, and willingness to say positive words to others, within the M-R’s framework (Macintosh & Lockshin, 1997; Baker *et. al.*, 2002). In a restaurant setting, using a structural equation modeling analysis, Ryu and Jang (2008) analyzed the influence of restaurants’ physical environments on emotions and behavioral intention. Their results showed that among physical environments, facility aesthetics and employees not only influenced behavioral intentions through emotional responses (pleasure and arousal), but also directly influenced behavioral intentions.

## **Emotional Response and Consumer Behavioral Intentions**

A body of studies shows that emotional motives for consumptions are a common phenomenon. The common belief was given by (Abelson *et. al.*, 1982; Izard 1977) show that emotions serve as primary motivators of consume behavior. Holbrook and Hirschman's (1982) concern over the absence of emotion in attitude research raises a major question about behavioral explanation and prediction. Follows from Holbrook and Hirschman's argument, it implies that for behaviors accompanied by complex and conflicting emotions, it may be difficult for an individual to integrate diverse feelings into a meaningful, global evaluation of the behavior. In such instances, individuals' retrospections about specific emotional episodes should improve prediction.

The role of emotion has gained attention as a central element in understanding service encounters and experiences (Richins, 1997; Oliver, 1997; Mattila & Enz, 2002), with academic research showing that emotions experienced in a store environment can affect service outcomes, such as behavioral intentions (Baker *et. al.*, 1992; Donovan *et. al.*, 1994; Sherman *et. al.*, 1997). There is a growing body of literature that suggests that positive and negative emotions associated with the service encounter play an important role in defining satisfaction, and predicting future behavioral intention (Allen *et. al.*, 1992; Oliver, 1993; Richins, 1997; Barsky & Nash, 2002). Positive emotions tended to be associated with positive and favorable consumer intentions while negative emotions tended to associate with negative consumer intentions. Example of restaurant industry, excitement and cheerful that positively associated with both patronage intention and good recommendation of the dining experience. Other research has indicated that negative emotions seem to have a stronger impact on post-choice evaluation as compared to positive emotions (Inman *et. al.*, 1997). It implies that negative emotions cause the customer would not like to revisit. There is no doubt that a pleasant dining environment could create a positive emotion to consumers.

## **Hedonic Experience and Consumer Behavioral Intentions**

Experience is gaining popularity in research. Interest in the experience of consumption is growing and more frequent reference in current tendency. Experience has been increasingly discussed since the beginning of 2000. Sundbo and Hagedorn-Rasmussen's (2008) definition of a customer experience shows that the customer is actively involved in some way and takes memory aspects into account. According to them a customer experience is "a mental journey that leaves the customer with memories of having performed something special, having learned something or just fun". It should be added that the result of the mental journey could be connected to further consumer behavioral intentions both favorable and unfavorable.

Despite the rapid growth of the food and beverage industry, particularly in the casual restaurant segment, researchers have paid scant attention to gaining a better understanding of the relationship between hedonic experience and consumers' behavioral intention in the field of catering industry. According to the past studies (Ryu, Lee, & Kim, 2011) that dining experiences can indeed produce both utilitarian value (e.g. healthier menu items and moderate price) and hedonic value (e.g. more compelling environment and atmosphere), there is little doubt pleasurable dining experiences are more attractive to customers. Consequently, it is crucial to understand how consumers' perceived pleasant experience across different service physical environment to aims for a universal

understanding of their perceptions of the consumer response. For instance, whether they satisfy with the consume progress and external responses (e.g. re-patronage, word-of-mouth).

## **RESEARCH METHODOLOGY**

### **Research Design**

Quantitative research method as the primary data was used in this study. The secondary data is online database and reference book. Questionnaire items were based on the previous research. The tool that is used to collect information is a questionnaire that includes, as stated in the research objectives, customer perceptions regarding dine in a restaurant physical environment that focusing on the elements of physical environment and atmosphere and the emotional response, hedonic experiences and consumer behavioral intentions that occur in such environment.

### **Data Collection Method**

Questionnaire items were developed based on those used in previous studies, which can ensure the content validity. The selection of variable items and measurement scales for the questionnaire was based on an extensive review of the existing theoretical and empirical literature. The questionnaire was comprised of four sections (restaurant physical environment, emotional response, hedonic experience, and consume behavioral intentions). Each item related to the studied constructs was rated on a five-point Likert scale, ranging from “strongly disagree” (1) to “strongly agree” (5).

The three components of the physical environment were measured with 14 items using a 5-point scale. Items measuring the design and ambient characteristics of physical environments were adopted from design factors included ambient factors, décor and artifacts, spatial layout. Specially, ambient conditions were assessed using 5 items (i.e. lighting, colors, background music, temperature, and aroma), décor and artifacts were assessed using 7 items (i.e. paintings/pictures, plants/flowers, wall décor, quality of furniture, interior design), and spatial layout was assessed using 3 items (i.e. overall layout, table/seating arrangement, restaurant attractive layout).

Emotional states were measured with 5 items using 5-point scale representing pleasure and arousal dimensions suggested by Mehrabian and Russel (1974). Example of one of the items was “Dine in the restaurant makes me feel joyful”.

A 5-point scale with 5 items was also used measure hedonic experience. The constructs of hedonic experience were measured with multiple items from the previous studies (Babin *et. al.*, 1994; Batra & Ahtola, 1990; Babin & Attaway, 2000). For example, one measure of hedonic experience was “The dining atmosphere is fun and pleasant”.

To measure consumer behavioral intentions 5-point scale with 5 items was assessed using. Mehrabian and Russel (1974), Zeithaml, Berry, and Parasuraman, (1996) proposed five items of approach-avoidance behaviors were reviewed and were modified to fit the

current restaurant situation. One of the example of items was “I would like to recommend the restaurant to others”.

Finally, socio-demographic variables (i.e. gender, age, education level, occupation, income and allowance, weekly frequency of eating out, usually eating out under what circumstances) were also assessed.

### Validity and Reliability

A pretest was conducted with 30 actual customers at the RBT casual restaurant in Guiyang City to evaluate whether the instrument could be clearly understood by respondents and ensure its reliability. Cronbach’s alpha coefficients ranged higher than 0.70, indicating an acceptable level of reliability (Cunningham & Aldrich, 2012). All of the variables’ Cronbach’s alpha coefficients exceeded 0.7 (see Table 1). Hence, the questionnaire is acceptable and reliable. Additionally, the survey was carefully reviewed by professors familiar with the topic area and discussed with casual restaurant managers. Therefore, no modification was needed on the survey after the pretest.

**Table 1: Reliability Test**

| <b>Construct</b>                 | <b>Cronbach’s Alpha</b> | <b>Number of Items</b> |
|----------------------------------|-------------------------|------------------------|
| Restaurant physical environment: |                         |                        |
| • Ambient conditions             | 0.825                   | 5                      |
| • Décor and Artifacts            | 0.821                   | 5                      |
| • Spatial Layout                 | 0.862                   | 4                      |
| Emotional Response               | 0.845                   | 5                      |
| Hedonic Experience               | 0.872                   | 5                      |
| Consumer Behavioral Intentions   | 0.893                   | 5                      |

Since the items of the survey are references from previous research. Consequently, the questionnaire was essential to translate into Chinese due to local language environment. For verification purpose, the translation task assessed by the professional English professor of Guizhou University, furthermore, the translated questionnaires were pretested in a pilot study with 30 customers to ensure they can complete understanding of this questionnaire. Respondents of this study consisted of contact customers in all five outlets of the RBT casual restaurant chain in Guiyang City, Guizhou Province, China.

## **Sample Size and Sampling Method**

Before the main study, through a purposive sampling approach, the sample was initiated through a contact with the manager of RBT casual restaurant and get permission to do the survey among six outlets in Guiyang City. Before starting data collection, a simple communication took place between RBT casual restaurant managers and the restaurant's customers as well as researchers to clarify the objective of this research and also the data collection process.

The survey was conducted over three consecutive weeks and during or after dinnertime. Sample was generated based on peak/off-peak time (afternoon, and evening) during weekdays and weekends. Questionnaires were randomly distributed by the investigator to customers who were dined in the RBT casual restaurant. Customers were asked to participate in the survey on a voluntary basis. Respondents are requested cooperation in rating their own various perceptions.

A total of 400 questionnaires were distributed to the RBT casual restaurant customers. After deleting incomplete responses, 395 cases were coded for data analysis, representing an effective response rate of 98.75%.

## **RESULTS AND FINDINGS**

### **Descriptive Analysis**

In this survey, 194 of respondents are female that represented 49.1%; 201 of respondents are male that represented 50.1%; approximately half.

5.6% of the respondents were younger than 20 years, 57.5% were between the ages of 21 and 30 years, 25.3% were between the ages of 31 and 40 years, 10.1% were between the ages of 41 and 50 years, and 1.5% were older than 51 years. The mainly consumers age were between the ages of 21 to 30 years, which implies current young people enjoy dine in casual restaurant.

55.7% of the respondents were degree holders; 19.2% were foundation education level; 18.0% of them were master education level; only 1.3% were doctorate holders; 5.8% of them were others.

The result also displayed a large proportion of employed respondents, approximately 76.7%. 2.8% of the respondents were unemployed; 17.2% of the respondents were student; 3.3% of the respondents were others, which mean housewives or retirees.

13.4% and 13.2% of the respondents indicated that they earned 1000CNY or less and 1000~2000CNY respectively. 25.1% of them earned 2000~3000CNY. 31.9% of them earned 3000~4000CNY. Only 16.5% of them indicated that they earned 5000CNY a month.

According to the survey, it is shown that most people eating out twice or lesser in a week, which was 45.1%. The following 38.5% of the respondents indicated three to four times; 16.5% of them eating out five or above per week. As it can be seen, eating out two to four times a week is the common phenomenon nowadays.

This study also revealed that most respondents chose friends and family gatherings as the reason for eating out, which represented in 64.8%. Treat as the eating out reason is higher than daily meals, which were 19.2% and 15.9% respectively.

## Inferential Analysis (Hypothesis Testing)

### Parametric Assumptions

In order to ensure the right parameters used in this study, the set of data collected must meet the parametric assumptions. In this context, the Shapiro-Wilk Test was performed and the result showed that the data distribution was normal ( $p > 0.05$ ). Linearity Test was also performed and the result showed that the value of significance for deviation of linearity was greater than 0.05 ( $p > 0.05$ ). Therefore, the relationships between independent variables are linearly dependent. Hence, Pearson Correlation and Multiple Regression analyses will be used in this study to test all the five hypotheses.

### Correlations Analysis

**Table 2: Correlations between the Four Variables**

| Measure                         | Restaurant physical environment | Emotional response | Hedonic experience | Consumer behavioral intentions |
|---------------------------------|---------------------------------|--------------------|--------------------|--------------------------------|
| Restaurant physical environment | 1.000                           |                    |                    |                                |
| Emotional Response              | 0.700**                         | 1.000              |                    |                                |
| Hedonic Experience              | 0.660**                         | 0.810**            | 1.000              |                                |
| Consumer Behavioral intentions  | 0.670**                         | 0.700**            | 0.710**            | 1.000                          |

\*\**. Correlation is significant at the 0.01 level (1-tailed).*

### Influence of Restaurant Physical Environment on Emotional Response, Hedonic Experience and Consumer Behavioral Intentions

As shown in Table 2, all the variables are significantly correlated at the 0.01 level (1-tailed). Restaurant physical environment has a significant, positive and strong relationship with emotional response ( $r = 0.700$ ,  $p < 0.01$ ). Therefore, hypothesis H<sub>1</sub>: Restaurant physical environment has a significant and positive influence on emotional response is supported.

Similarly, restaurant physical environment exhibits a significant, positive and strong relationship with hedonic experience ( $r = 0.660$ ,  $p < 0.01$ ), and consumer behavioral intentions ( $r = 0.670$ ,  $p < 0.01$ ). Hence, hypotheses H<sub>2</sub>: Restaurant physical environment has a significant and positive influence on hedonic experience and H<sub>3</sub>: Restaurant physical environment has a significant and positive influence on consumer behavioral intentions are supported respectively.

### **Influence of Emotional Response on Consumer Behavioral Intentions**

As we can see from Table 2, there is a significant, positive and strong correlation between emotional response and consumer behavioral intentions ( $r = 0.700$ ,  $p < 0.01$ ). Each unit increase in emotional response will resulted 0.7 unit of increase in consumer behavioral intentions. Therefore, hypothesis H<sub>4</sub>: Emotional response has a significant and positive influence on consumer behavioral intentions is supported.

### **Influence of Hedonic Experience on Consumer Behavioral Intentions**

Table 2 also shows hedonic experience has a significant, positive and strong correlation with consumer behavioral intentions ( $r = 0.710$ ,  $p < 0.01$ ). This result indicates that one unit of increase in hedonic experience will influenced 0.71 unit of increase in consumer behavioral intentions. Hence, hypothesis H<sub>5</sub>: Hedonic experience has a significant and positive influence on consumer behavioral intentions is supported.

### **Regression Analysis**

A multiple regression analysis was performed examining emotional response as the dependent variable and restaurant physical environment as the independent variable (see Table 3). This attempt was to further investigate the influence of restaurant physical environment on emotional response.

**Table 3: Model Summary for Emotional Response**

|                     |                    |
|---------------------|--------------------|
| Dependent variable: | Emotional Response |
| R                   | 0.700 <sup>a</sup> |
| R Square            | 0.490              |
| Adjusted R Square   | 0.489              |
| Std. Error          | 0.543              |

*a. Predictors: (Constant), Restaurant Physical Environment*

As indicated in the Table 3, the regression analysis involving the restaurant physical environment and emotional response confirms the strong and positive association between the variables ( $R = 0.700$ ,  $p < 0.01$ ). The adjusted R squared is 0.489 indicates that restaurant physical environment explains 48.9% of the variance in emotional response.

**Table 4: Model Summary for Hedonic Experience**

|                     |                    |
|---------------------|--------------------|
| Dependent variable: | Hedonic Experience |
| R                   | 0.660 <sup>a</sup> |
| R Square            | 0.440              |
| Adjusted R Square   | 0.435              |
| Std. Error          | 0.570              |

*a. Predictors: (Constant), Restaurant Physical Environment*

Another multiple regression analysis was performed to further examine the influence of restaurant physical environment on hedonic experience. From Table 4, we learned that the result confirms the strong and positive association between restaurant physical environment and hedonic experience ( $R = 0.660$ ,  $p < 0.01$ ). The adjusted R squared = 0.435 indicates that restaurant physical environment explains 43.5% of variance change in hedonic experience.

**Table 5: Correlation and Multiple Regression Analysis for Consumer behavioral intentions on Predictor Variables (Restaurant Physical Environment, Hedonic Experience and Emotional Response)**

| <b>Independent Variables</b>           | <b><i>r</i></b> | <b>Standardised <math>\beta</math></b> |
|--|-----------------|--|
| <b>Restaurant Physical Environment</b> | 0.670**         | 0.501**                                |
| <b>Emotional Response</b>              | 0.700**         | 0.540**                                |
| <b>Hedonic Experience</b>              | 0.710**         | 0.570**                                |

R 0.768<sup>a</sup>  
R Square 0.589  
Adjusted R Square 0.586

*a. Predictors: (Constant), Hedonic Experience, Restaurant Physical Environment, Emotional Response*

*b. Dependent variable: Consumer behavioral intentions*

The third regression analysis was performed to examine the degree of influence of restaurant physical environment, hedonic experience and emotional response on consumer behavioral intentions. Restaurant physical environment, emotional response and hedonic experience were entered as the independent variables and consumer behavioral intentions as the dependent variable. Significance was found between the variables with the combined influence of the variables was 58.6% of the variance in consumer behavioral intentions ( $R = 0.768$ ,  $p < 0.01$ ). Hedonic experience was found to be the best predictor of consumer behavioral intentions ( $\beta = 0.570^{**}$ ,  $p < 0.01$ ). Restaurant physical environment ( $\beta = 0.540^{**}$ ,  $p < 0.01$ ) and emotional response ( $\beta = 0.501^{**}$ ,  $p < 0.01$ ) were also found to be good predictors of consumer behavioral intentions.



**Table 6: Summary of Hypotheses Testing**

| <b>Hypothesized path</b>  | <b>r</b> | <b>t-value</b> | <b>Result</b> |
|---|----------|----------------|---------------|
| H <sub>1</sub> : Restaurant physical environment→<br>Emotional response             | 0.700**  | 2.87           | Supported     |
| H <sub>2</sub> : Restaurant physical environment→<br>Hedonic experience             | 0.660**  | 3.77           | Supported     |
| H <sub>3</sub> : Restaurant physical environment→<br>Consumer behavioral intentions | 0.670**  | 6.47           | Supported     |
| H <sub>4</sub> : Emotional response → Consumer<br>behavioral intentions             | 0.700**  | 3.87           | Supported     |
| H <sub>5</sub> : Hedonic experience → Consumer<br>behavioral intentions             | 0.710**  | 5.59           | Supported     |

\*\**. Correlation is significant at the 0.01 level (1-tailed).*

## **CONCLUSION AND RECOMMENDATION**

The current study can be viewed as an extensive response to many previous researchers on the association among physical environment, emotional response, hedonic experience and consumer behavioral intentions that have called for additional modeling and empirical testing of developed models. In comparison with the previous research, which only tested two or three factors, this study combines all four of above factors. Consequently, this study fills the gap of previous research and extends both the practical and theoretical knowledge.

Moreover, this study highlights that restaurant physical environment has a significant and positive influence on emotional response, hedonic experience, and consumer behavioral intentions (H<sub>1</sub>-H<sub>3</sub>), emotional response and hedonic experience are also significant and positive linked to consumer behavioral intentions (H<sub>4</sub> and H<sub>5</sub>). Hence, this study contributes theoretically and practically to extend the SOR model by explaining how far the emotional response and hedonic experience associated to consumer behavioral intentions.

From a theoretical standpoint, this study makes important contributions to the hospitality industry literature beyond previous studies. There are some differences between the present study and those previous studies. First, using different variables the major focus of the current study is to examine how customers' perceived the physical environment influence their dining emotional response and hedonic dining experience toward the restaurant. Second, the previous literature did not clearly address if customers' hedonic experience was primarily driven by dining physical environment or atmosphere, and if there is a significant association with consumer behavioral intentions. Furthermore, this study added an interesting aspect (hedonic experience) that has gained more attention by hospitality marketers. Third, it is an innovation in conjunction with hedonic experience and emotional response to explore how the perception of dining experience and emotions of customer in restaurant physical contexts. Simultaneously, to test how the emotional response

and hedonic experience in dining environment have effect on consumer behavioral intentions. On the basis of the previous studies, it is an advance that the current study extends the knowledge and framework to test their influence. Therefore, the current study has merits to contribute to deepen and expand the existing literature by differentiating this study from the previous studies to some extents.

From a practical perspective, this study provides a more comprehensive view to managers of restaurant and hotel, or service in better understanding of the important role of physical environments in creating positive customer responses (pleasant emotional response, hedonic experience and favorable consumer behavioral intention). Results from the present study identified the influence of restaurant physical environments on customer emotional states, dining experience, and consumer behavioral intentions, simultaneously, detected the effect of emotional response and hedonic experience on consumer behavioral intentions, providing vital managerial implications for service industry.

Competitive advantage can be gained by building on the relationship among service environments, customer emotional states, the dining experience, and consumer intentions. As customer emotions, experiences, and behaviors affected by these environmental elements that lie largely within the area of control and can be manipulated, hospitality managers should actively promote desired physical environments with a positive impact on emotional response, hedonic experience, and consumer behavioral intentions of customers.

For restaurateurs, the findings of this study suggest useful implications to accomplish a balance or focus on the components of restaurant physical environment, which in relation to enhancing customers' pleasant dining experience and joyful emotional response then consequently customer's favorable behavioral intentions.

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