



AENSI Journals

Journal of Applied Science and Agriculture

ISSN 1816-9112

Journal home page: www.aensiweb.com/jasa/index.html



Investigating The Effect of Perceived Value on Purchase Intention of Iran Restaurants' Customers

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ARTICLE INFO

Article history:

Received 17 November 2013

Received in revised form 19

February 2014

Accepted 26 February 2014

Available online 20 March 2014

Keywords:

Leisure industry

Customers' perceived value,

SERV-PERVAL scale,

customers' purchase intention

ABSTRACT

The aim of this study is to first, presenting a modified model regarding the Iranians customer perception of value in restaurant industry and second, investigating relationship of effective factors on overall perceived value and their effect on customers' purchase intention. Data is gathered from 360 survey questionnaire, which were analyzed using the structural equation modeling (SEM). The results revealed that perceived quality has a significant positive effect on behavioral intentions. Perceived quality has a significant positive effect on overall perceived value. Perceived monetary price has a significant positive effect on overall perceived value. Emotional response has a significant positive effect on overall perceived value. Reputation has a significant positive effect on behavioral intentions and Overall perceived value has a significant positive effect on behavioral intentions. However the effect of behavioral price on behavioral intentions was not significant. In addition results show that consumers' emotional response was the best predictor of their overall perception of value and perceived quality was the best predictor of behavioral intentions.

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ToCite This Article: MasoudLajevardi, SinaFakharmansh, Ebrahimganbarimemeshi, Aliehshirzadegan, MiladLajevardi., Investigating The Effect of Perceived Value on Purchase Intention of Iran Restaurants' Customers. *J. Appl. Sci. & Agric.*, 9(2): 550-560, 2014

INTRODUCTION

Past researchers have shown that most of working populations do not have enough time at home. Therefore, they are demanding suitable products such as fast-food tailors to their lifestyle (McDaniel, Lamb & hair 2001). Changing lifestyle of Iranian households shows an increasing tendency towards larger consumption of take-away food as well. Furthermore, an increasing preference for American style food amongst younger generation of Iranians has resulted in many pizza, steak, hamburger and fried chicken establishments. According to bender and bender (2001), fast-food is a general term used for a limited menu of foods that lend themselves to production line techniques and that are typically hamburgers, pizza, chicken or sandwiches.

Iranian fast food managers are having problem in finding all causes lead to customer perceived value and behavioral intension to purchase and afterward customer satisfaction. They want to identify the factors involved and their affecting amount in customer perceived value and purchasing intention. The fact is that fast-food owners cannot achieve their marketing objectives without studying the consumer behavior factor in their marketing plans; thus, service owners must understand consumer behavior (Lin *et al.*, 2005). Oh (2000) states that "perceived value" should be a central concept in restaurant marketer's effort to understand consumer behavior because perceived value helps in explaining different characteristics of consumer behavior, for example, word-of-mouth communications and repurchase intentions (Lin *et al.*, 2005). Furthermore according to Zeithamlet *al.* (1996), there are favorable and unfavorable behavioral intentions. These authors also argue that customer's positive perceptions of value have a positive influence on their behavioral intentions. Furthermore Finding from perceived value studies can be translated into marketing strategies, promotional strategies and market segmentation, because consumer's perceptions provide direct input for service development and improvement (Williams & Soutar 2000).

Understanding the perceived value construct and how to measure it is an essential part of identifying consumer behavior (Tam, j. 2004). Bamert and Wehrli (2005) state "services differ from goods and cannot be sensed in the same manner as goods". Petrick (2002) argues that scales, which are developed for measuring the perceived value of tangible products, are difficult to use when measuring the perceived value of services,

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because the dimensions inherent in services differ from those of tangible products. Therefore value is a multidimensional construct whose attributes are difficult to measure (Snojet *et al.*, 2004; Zeithaml, 1988). Measuring overall value through conceptualizing the give-get component has contributed to the development of multiple-item scales and led to the measurement of the perceived value as a multidimensional construct (Gallarza & Saura, 2006; Lin *et al.*, 2005; Snojet *et al.*, 2004; Zeithaml, 1988).

Petrick (2002) develops a multi-dimensional scale (SERV-PERVAL scale) for measuring perceived value after completing a purchase. According to Petrick, the dimensions of what consumer receives from purchase of a service include the emotional response to the service, quality perceived, and the reputation of the service rendered.

Consequently this study propose to assist leisure provider, particularly fast-food restaurants, to identify the dimensions of the perceived value and their positive or negative impact, and to provide directions to improve their restaurants service offering through executing better marketing strategies.

The purpose of current study are twofold: 1. investigating the causal relationships between perceived quality, monetary price, behavioral price, emotional response, reputation, overall perceived value, and behavioral intentions. 2. Presenting a causal modified model in leisure service context on the basis of review on relevant literature in leisure marketing.

This study not only helps Iranian fast food managers to recognize important factors affecting customer's perceived value but also can be useful for managers of other countries that are involved in leisure industry. Finding of this research can be useful for corporate managers in establishing their marketing and production strategies and policies and learning customer orientation to their employees.

Literature review and research hypotheses:

Overall perceived value:

To fully understand the role of perceived values in the service setting, it is vital to comprehend how the perceived value are related to post consumption responses such as satisfaction and behavioral intentions (Jooyen & Soochong, 2010).

A general idea, across conceptual frameworks of the overall perceived value construct, is that the perceived value is the result of a comparison of what consumers "receive" with what consumers "give" to acquire services (Iglesias & Guillen, 2004; Oh, 2000; Petrick, 2002; Sweeney & Soutar, 2001; Tam, 2004; Zeithaml, 1988). Therefore in this construct benefits are received and sacrifices are given or made (Sanchez *et al.*, 2006; Snojet *et al.*, 2004; Woodruff, 1997). According to Patrick's SERV-PERVAL scale (2002) that used in this study, the dimensions of what consumers receive from purchasing services include the emotional response, the quality perceived, and the reputation obtained from the services. However, the dimensions related to what is sacrificed or given, include monetary and non-monetary (behavioral) price. For the purpose of the study, perceived value was defined as consumers overall assessment of services reputation, quality, monetary price, behavioral price and emotional response. But in four previous studies, which applied the SERV-PERVAL scale within a leisure context, Petrick (2003, 2004a, 2004b) and Mukhtar Ali (2007) founds that both reputation and behavioral price were not significant predictors of overall perceived value. Moreover, according to the guidelines provided by Pallant (2005), the strength of the relationship between behavioral price and overall perceived value, as well as the one between reputation and overall perceived value, is medium. On the basis of above studies and review of relevant literature, in the current study, investigated the relationships between behavioral price, reputation and behavioral intentions, instead of investigating the exits relationships between behavioral price, reputation and overall perceived value.

Perceived quality and behavioral intentions:

Marketing literature is rich with studies that have empirically investigated relationships between service quality and customer behavioral intentions. (Murray & Howat, 2002; Paterson & Spreng, 1997; Theodorakis *et al.*, 2001; Zeithaml & Binter, 1996). Both Parasuraman *et al.* (1988) and Zeithaml *et al.* (1996) have reported that a positive relationship exists between perceived service quality and behavioral intentions. In particular, positive word-of-mouth has been clearly associated with superior service quality. Bitner (1990) also found that perceived service quality influences behavioral intentions in terms of word-of-mouth and repurchase intention.

Hypothesis 1: perceived quality has a significant positive effect on behavioral intentions.

Perceived quality and Overall perceived value:

Quality is defined as consumers' judgments about the overall excellence or superiority of services (Petrick, 2002). Perceived quality has different dimensions, referring not only to the perceived reliability of services, which is only one of five generic dimensions of the service quality construct (Petrick & Backman, 2004), but also to the discrepancy between customers expectations and their perceptions of the service performance (Tam, 2004). Gallarza and Saura (2006) note that the perceived quality of leisure services entails service are that is perceived as reliable, consistent and dependable. Thus in this study, perceived service quality is defined as the

consumers judgment about superiority, reliability, dependability and consistency of leisure services. Perceived quality has an obvious relationship with perceived value (Schdev&Verma, 2002). Moreover, Sweeney *et al.* (1997) state: "service quality has an impact on perceived value". Previous empirical results indicate that perceived quality is positively related to perceived value (Gallarza&Saura, 2006; petrick, 2002; Snojet *et al.*, 2004; Tam, 2004). Consequently, perceived quality is viewed as a cognitive construct that has a positive influence on perceived value. Therefore, it can be argued that quality is a functional sub-factor of perceived value that contributes to it (Sanchez *et al.*, 2006). Thus, perceived quality is viewed as an antecedent of perceived value (Gallarza&Saura, 2006; Sanchez *et al.*, 2006). Therefore, the following related hypothesis is stated:

Hypothesis 2: perceived quality has a significant positive effect on overall perceived value.

Monetary price and Overall perceived value:

Al-Sabbahyet *et al.* (2004) define price as "the summation of sacrifices made by a consumer in order to experience the benefits of a service". Monetary sacrifices/costs are different from non-monetary costs and are based on fiscal costs. Monetary price refers to the fiscal costs of services as perceived by consumers (petrick, 2002). For example, consumers may consider the monetary price of specific leisure services as fair, economical and reasonable, simultaneously judging the services as good buys, which are worth the money and assessed as good bargains. In this study, the perceived monetary price of leisure services is defined as consumers' judgments that leisure services, compared to their fiscal price, are worth the money; that is a good bargain would therefore be considered as a good buy. At the same time, the fiscal price of the leisure services should be economical, fair and reasonable. Monetary price is viewed as a cognitive construct that represents a sacrifice component of the value equation. One would, therefore, expect monetary price to be negatively correlated with overall perceived value (Kashyap&Bojanic, 2000; Lin *et al.*, 2005; Sanchez *et al.*, 2006; Sweney&Soutar, 2001; Zeithaml, 1988). However, petrick (2002) measured the construct of monetary price in a way that would measure the extent to which customer had positive perceptions about the construct. Accordingly, the author measured the extent to which respondents would see the price charged as good value, fair or bargain. High scores on the monetary price measurement scale, therefore, would reflect positive perceptions regarding value for monetary/price fairness. The monetary price, measurement scale developed by petrick (2002) was similar to the one used by Sweeney and Souter (2001). Consequently, monetary price, in this study, was measured similarly. Monetary price therefore, positively affects consumers overall perceived value (petrick, 2002). The following hypothesis is thus formulated:

Hypothesis 3: perceived monetary price has a significant positive effect on overall perceived value.

Emotional response and Overall perceived value:

Leisure service customers have expectations of emotional arousal (Wakefield & Blodgett, 1994). The degree of excitement that customers experience, during and after consuming leisure services may, therefore, be a major determinant of their value perceptions of the services experienced (Petrick, 2004; Shethet *et al.*, 1991). Consequently, emotional response refers to the descriptive judgment regarding the pleasure that services afford purchaser (Petrick, 2002). In this study, the consumers' emotional response to leisure services is defined as the consumers' judgment that leisure services have enabled consumers to feel good, delighted and happy. Furthermore, consumers derive pleasure and joy from the services experienced. A similar definition was provided by Sweeney and Soutar (2001); they have stated that "the utility derived from the feelings or affective states that a product has generated is part of overall perceived value". The direction of the relationship between consumers emotional response and overall perceived value, therefore, is positive (Petrick, 2002; Sweney&Soutar, 2001). Moreover, Sweeney and Souter's (2001) study provides empirical evidence that consumers emotional responses are positively correlated with overall perceived value. The following hypothesis is thus formulated:

Hypothesis 4: emotional response has a significant positive effect on overall perceived value.

Reputation and behavioral intentions:

Reputation refers to the prestige or statue of services, as perceived by purchasers. The results of having a good reputation is to increase the restaurant sales and to attract more customers because of word-of-mouth activity (Rogerson, 1983). Taktaz (2011) and Nikbin (2011) stated that, firm's reputation has direct and positive effects on behavioral intentions. In this study, perceived reputation is defined as consumers' judgment about the status as well as their regard/respect for leisure services.

Reputation is based on the image and brand recognition of the service provider (Petrick, 2002). Few studies in the hotel industry have been conducted on the effect of image on behavioral intentions (Hu *et al.*, 2009; Kandampully&Suhartanto, 2000). Johnson *et al.* (2001) noted that image had a positive effect on behavioral intentions. Moreover, Kandampully and Hu (2007) found that image in the hotel industry was a significant predictor of behavioral intentions. Therefore, the following hypothesis ensued:

Hypothesis 5: reputation has a significant positive effect on behavioral intentions.

Behavioral price and behavioral intentions:

Non-monetary (behavioral) price refers to the non-fiscal costs of obtaining services, which include the time and effort spent to acquire services (Gallarza&Saura, 2006; petrick, 2002). In this study, perceived behavioral price to shop for, require little energy/effort to obtain and are bought easily. Consumers' interest in conserving time an effort has long been identified (Anderson, 1972; Kelley, 1958). High income, time-poor consumers require a lot of value from the limited hours available and may be willing to pay more money to enjoy their leisure time (Engel *et al.*, 1995). Although Zeithaml (1988) addressed that the time and effort are mediate by the perceptions of product value for money, other researchers suggest that these costs can also directly influence purchase intentions (Baker *et al.*, 2002). Estyvenet *al* (2011) founded that, perceived sacrifice in term of time and effort can be a strong predictor of behavioral intention. In some contexts, perceived non-monetary sacrifice has been shown to negatively affect behavioral intentions (Baker &Parasuraman, 2002; Kleijnenet *al.*, 2007). Consumers, for example, will decide not to shop when the perceived costs of spending time and effort are too high (Hui& Bateson, 1991). However, according to petrick (2002), this construct was measured in a way similar to that of the monetary price explained earlier. Thus, petrick measured the extent to which respondents would see the effort/energy required to obtain services as low. The following hypothesis is thus formulated:

Hypothesis 6: behavioral price has a significant positive effect on behavioral intentions.

Overall perceived value and behavioral intentions:

Consumer's behavioral intentions are considered as part of the consumers' post-purchase behavior (Tam, 2004). Also, repurchase intentions is a component of the consumer behavioral intentions. According to Zeithamlet *al.* (1996), the repurchase intentions construct is defined as a construct that occurs when consumers plan to consume specific services again. There are favorable behavioral intentions, such as consumers' intentions to be engaged in positive word-of-mouth communication, intentions to pay a premium price, intentions to be loyal and recommend specific services to others. There are also unfavorable behavioral intentions, such as intentions to be involved in negative word-of-mouth communication, intentions to complain and to decrease the amount of business customers do with specific service providers (Zeithaml, 1996). In this study, the behavioral intentions construct is defined as that which occurs when consumers aim to take positive action or say positive things regarding specific services, particularly, the intention to repurchase services or to be involved in positive word-of-mouth communication regarding said services. Previous empirical results indicate that consumers' favorable behavioral intentions are positively influenced by their positive perceptions of overall value (Grewalet *al.*, 1998; Petrick, 2002; Petrick, 2004; Zeithamlet *al.*, 1996). For the purpose of the study, and to avoid stating contradicting items in the measurement scale, two of the favorable behavioral intentions were measured, namely repurchase intentions and positive word-of-mouth communication (Gallarza&saura, 2006). Therefore, the following hypothesis ensued:

Hypothesis 7: overall perceived value has a significant positive effect on behavioral intentions.

Based on the review of the aforementioned past studies, the conceptual model (Fig. 1) is proposed by the current study. This model indicates the causal relationships between the constructs of concern in the research.

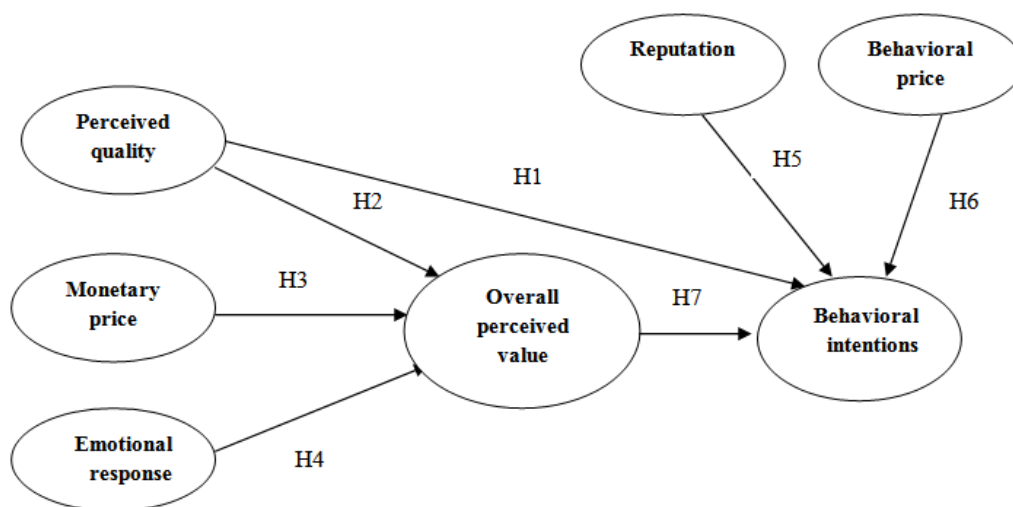


Fig.1. A proposed conceptual model
Research methodology:

*Measures:***Table1:** measurement scales used in the current study, related question number and variables in the questionnaire.

construct	Item and variable number	Source of the scale
Perceived quality (4 items)	Outstanding quality (PQ1) Very reliable (PQ2) Very dependable (PQ3) Very consistent (PQ4)	Petrick (2002)
Emotional response (5 items)	It made me feel good (ER1) It gave me pleasure (ER2) It gave me a sense of joy (ER3) It made me feel delighted (ER4) It gave me happiness (ER5)	Petrick (2002)
Monetary price (6 items)	A good buy (MP1) Worth the money (MP2) Fairly priced (MP3) Reasonably priced (MP4) Economical (MP5) Appears to be a good bargain (MP6)	Petrick (2002)
Behavioral price (5 items)	Easy to buy (BP1) Required little energy to purchase (BP2) Easy to shop for (BP3) Required little effort to buy (BP4) Easily bought (BP5)	Petrick (2002)
Reputation (5 items)	Had good reputation (RE1) Well respected (RE2) Well thought of (RE3) Had statues (RE4) Reputable (RE5)	Petrick (2002)
Overall perceived value (3 items)	The overall value of this experience was high (OPV1) Comparing what gave up and what I received, the overall perceived value is positive(OPV2) The experience has satisfied my needs and wants (OPV3)	Gallarza and Saura (2006)
Behavioral intentions (4 items)	If I am going to have another meal at a fast-food restaurant, I will consider this restaurant as my first choice (BI1) I will say positive things about this restaurant to other people (BI2) I will recommend it to someone who seeks my advice (BI3) I will encourage friends and relatives to visit the restaurant (BI4)	Petrick (2004b) Zeithaml <i>et al.</i> (1996)

A self administered questionnaire survey of fast-food restaurants patrons in Iran was conducted to collect empirical data for this study. The questionnaire was designed based upon a review of the related literature. The questionnaire consists of four major questions. The first three questions were demographic questions (three items, categorical scale), and the fourth question, includes the seven constructs was measured through a separate set of scale items. Patrick's modified SERV-PERVAL scale was used to assess respondent perceptions of value. This modified scale consist of three dimensions namely, perceived quality (four items), emotional response (five items) and monetary price (six items), that adopted from Petrick (2002). Furthermore, behavioral price (five items) and reputation (five items) adopted from Petrick (2002). Overall perceived value (three items), adopted from Gallarza and Saura (2006). Moreover, behavioral intentions (four items) adopted from Petrick (2004) and Zeithaml (1996). All items measured on the five-point Likert scale rang from "strongly" agree to "strongly disagree". Table 1 shows the measurement items of constructs used in this study.

Data collection:

This study could be considered as a causal and cross-sectional study. Since, a number of empirical study (Gallarza&Saura, 2006; Petrick, 2002; Snojet *et al.*, 2004), had used students as their target population, therefore, the questionnaire was distributed among graduate and postgraduate students studying in the department of management at the Islamic Azad University of Iran. They were to have had and paid for at least one dining experience at a Fast-Food restaurant in Iran, during the three month preceding the distribution of the questionnaire, in June 2012. The study used a convenience sampling method. Students were asked about their willingness to take part in the survey and if they answered yes then they were asked to complete a pencil and paper questionnaire under the guidance of the data collector. A total of 500 questionnaires were distributed from Jun to July, 2012. After deleting unusable questionnaire, 360 useful samples were obtained, yielding a 0.76 response rate. Among the usable samples 62% respondents were female and 38% are male. Ages 20-30 (48%) and under 20 (35%) account for the biggest portion of the sample, followed by ages 30-40 (17%). In all, 78% were studying in graduate level and 22% were studying in postgraduate level.

Data analysis and results:

Assessment of measurement model:

A confirmatory factor analysis (CFA) via Lisrel 8.50 was conducted to test the measurement model. Six common model-fit measure were employed to assess the models overall appropriateness, namely the ratio of chi-square to degrees-of-freedom ($\chi^2/d.f$), goodness-of-fit index (GFI), adjusted goodness-of-fit- index (AGFI), normalized fit index (NFI), comparative fit index (CFI), and root mean square error of approximation (RMSEA), and to attain a better model fitness, one item, item BP1 (see table 1), was eliminated due to cross factor loadings. As shown in table 2 all the model-fit indices exceeded their respective common acceptance level suggested by previous research (Bagozzi and Yi, 1988; Mulaik, James, Van. Alstine, Bennett, Lind and Stilwell, 1989). Therefore, the measurement model has a good fit with the data collected.

Table2: fit indices for measurement model.

Goodness-of-fit measures	Recommended value	Measurement model values
$\chi^2/d.f$	≤ 3.00	1066.70/413= 2.58
goodness-of-fit index (GFI)	≥ 0.90	0.94
adjusted goodness-of-fit- index (AGFI)	≥ 0.80	0.91
normalized fit index (NFI)	≥ 0.90	0.95
comparative fit index (CFI)	≥ 0.90	0.97
root mean square error of approximation (RMSEA)	≤ 0.10	0.066

Reliability of each constructs was calculated by Cronbach's alpha coefficients and composite reliability (CR). The Cronbach's alpha of all constructs exceeded the minimum requirement for reliability of 0.70, ranging from 0.79 to 0.93 (Hair *et al.*, 1998). The interpretation of the composite reliability coefficient is similar to that of Cronbach's alpha. Composite reliability (CR) of all the latent variables is greater than the acceptable limit of 0.70 ranging from 0.791 to 0.927 (Carmines and Zeller, 1988). The results of the reliability test indicated that multiple measurement items were highly reliable for measuring each construct. (Table 3).

Table3:Measurement model results.

construct	Measurement items	Standardized factor loading	t-value	CR	Cronbach's alpha	AVE
Perceived quality	PQ1	0.83	18.57*	0.88	0.87	0.65
	PQ2	0.88	20.35*			
	PQ3	0.73	15.61*			
	PQ4	0.78	16.98*			
Monetary price	MP1	0.82	18.75*	0.93	0.93	0.68
	MP2	0.86	20.11*			
	MP3	0.87	20.53*			
	MP4	0.78	17.23*			
	MP5	0.86	20.21*			
	MP6	0.75	16.23*			
Emotional response	ER1	0.84	19.25*	0.92	0.92	0.70
	ER2	0.90	21.47*			
	ER3	0.88	20.73*			
	ER4	0.82	18.64*			
	ER5	0.75	16.44*			
Reputation	RE1	0.75	16.27*	0.90	0.90	0.64
	RE2	0.72	15.28*			
	RE3	0.84	19.30*			
	RE4	0.86	19.74*			
	RE5	0.83	18.82*			
Behavioral price	BP2	0.68	14.08*	0.88	0.88	0.66
	BP3	0.75	16.35*			
	BP4	0.93	20.96*			
	BP5	0.86	19.90*			
Overall perceived value	OPV1	0.74	14.79*	0.80	0.79	0.56
	OPV2	0.68	13.28*			
	OPV3	0.82	16.85*			
Behavioral intentions	BI1	0.81	18.36*	0.90	0.89	0.68
	BI2	0.92	22.53*			
	BI3	0.68	14.33*			
	BI4	0.88	20.96*			

Note: *implies significant at $p < 0.05$

Construct validity is the extent to which a set of measured variables actually reflects the latent construct they are designed to measure (Hair *et al.*, 2006). Construct validity in established in this study by establishing the face validity, convergent validity and discriminant validity.

Face validity was established by adopting the measurement items used in the study from the existing literature and adapting the same to the present research context. Moreover before the questionnaire was

finalized, some academic professional who are familiar with the subject of this study reviewed the questionnaire to assure face validity. Minor revisions were made based on their suggestions. Therefore, the face validity of the questionnaire was deemed as adequate.

Convergent validity was assessed by examining the factor loading and average variance extracted (AVE) of the constructs as suggested by Fornell and Larcker (1981). All the indicator had significant loading onto the respective latent construct ($p < 0.05$) with values greater than or equal to 0.50 (table 3). In addition, the average variance extracted (AVE) for each construct is greater than or equal to 0.50, which further support the convergent validity of the constructs (table 3).

Fornell and Larcker (1981) states that discriminant validity can be assessed by comparing the average variance extracted with corresponding inter-construct squared correlation estimates. From table 4 it can be inferred that the square root of the AVE values of all the latent variables are greater than the inter-construct correlations which support the discriminant validity of the construct. Thus, the measurement model reflects good construct validity and desirable psychometric properties.

Table4: discriminant validity.

	PQ	MP	ER	RE	BP	OPV	BI
PQ	0.80						
MP	0.40	0.82					
ER	0.74	0.31	0.83				
RE	0.51	0.25	0.49	0.80			
BP	0.24	0.14	0.24	0.25	0.81		
OPV	0.22	0.19	0.29	-	-	0.74	
BI	0.44	-	-	0.32	-0.02	0.23	0.82

Note: diagonal elements in the correlation matrix of constructs are the squarer root of the AVE values; for discriminant validity to be present the diagonal elements should be greater than the off diagonal

Structural model:

Having established a reliable and valid measurement model, a structural model is used to test the causal relationships between constructs of the proposed conceptual model. The simultaneous maximum-likelihood-estimation procedures are used to examine the hypothesized relationships among perceived quality, monetary price, emotional response, reputation, behavioral price, overall perceived value, and behavioral intentions.

The goodness-of-fit indices of the final estimated structural model include $\chi^2/d.f(1090.50/417 = 2.61)$, GFI (0.91), AGFI (0.94), CFI (0.97), NFI (0.95), and RMSEA (0.067), indicating that the structural model has a reasonable expiation of the observed covariance among the constructs of interest. Fig 2 shows the results of the estimated structural model. (See LISREL output in appendix A)

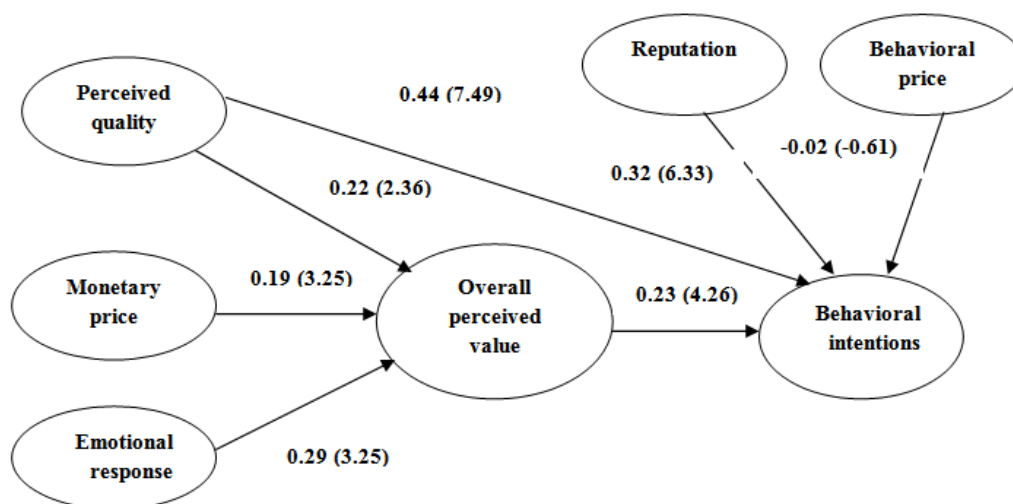


Fig.2: the estimated structural model.

Hypotheses testing:

H1 to H7 were examined by using the structural equation modeling (using LISREL 8.50). Regarding the hypothesis tests, as shown in table 5 and fig 2 some of the structural path estimates are statically significant ($p < 0.05$) except for hypotheses H6. Perceived quality has a significantly positive effect on behavioral intentions ($\beta = 0.44$, t -value= 7.49) thus H1 is supported. Perceived quality has a significantly positive effect on

overall perceived value ($\beta_2 = 0.22$, t -value = 2.36) thus H2 is supported. Monetary price has a significantly positive effect on overall perceived value ($\beta_3 = 0.19$, t -value = 3.25) thus H3 is supported. Emotional response has a significantly positive effect on overall perceived value ($\beta_4 = 0.29$, t -value = 3.25) thus H4 is supported. Reputation has a significantly positive effect on behavioral intentions ($\beta_5 = 0.32$, t -value = 6.33) thus H5 is supported. Overall perceived value has a significantly positive effect on behavioral intentions ($\beta_6 = 0.23$, t -value = 4.26) thus H7 is supported. The effect of behavioral price on behavioral intentions is not significant ($\beta_7 = -0.02$, t -value = -0.61) thus H6 is rejected.

Table 5: Results of hypotheses testing.

Hypotheses	Hypothesized path	Standardized path	t-value	Results
H1	PQ → BI	0.44	7.49*	Supported
H2	PQ → OPV	0.22	2.36*	Supported
H3	MP → OPV	0.19	3.25*	Supported
H4	ER → OPV	0.29	3.25*	Supported
H5	REP → BI	0.32	6.33*	Supported
H6	BP → BI	-0.02	-0.61* NS	Rejected
H7	OPV → BI	0.23	4.26*	Supported

Note: *implies significant at $p < 0.05$, NS implies not significant

Discussion and conclusion:

Petrick develops a multi-dimensional scale (SERV-PERVAL scale) for measure perceived value after completing a purchase. According to Petrick (2002), the dimensions of what consumer receives from purchase of a service include the emotional response to the service, quality perceived from the service, and the reputation of the service rendered. Furthermore, the dimensions that relate to what is sacrificed or give include monetary price and behavioral price. Petrick (2003, 2004a, 2004b), and Mukhtar Ali (2007), which applied the SERV-PERVAL scale within a leisure context, they found that reputation and behavioral price were not significant predictors of perceived value. The authors contributed the insignificance of reputation as a predictor of perceived value, to the effect that respondents felt that leisure service providers under evaluation all had a good reputation. Thus they states items that do not differ between respondents. In addition, according to the guidelines provided by Pallant (2005), the strength of the relationship between behavioral price and perceived value, as well as the one between reputation and perceived value, is medium.

The above studies investigated correlation relationships between constructs but the main propose of this study was investigating the causal relationships between perceived quality, monetary price, nonmonetary price, emotional response, emotional response, reputation, overall perceived value, and behavioral intentions. Thus this study considered as a new contributed to assessing the customers perceived value and behavioral intentions in a leisure context especially fast-food restaurants.

On the basis of aforementioned studies, in this study first, separated two dimensions (reputation and behavioral price) from the SERV-PERVAL scale, and then investigated the causal direct effect of them on behavioral intentions. This new relationships captured from current studies (Rogerson, 1983; Taktaz, 2011; Nikbin, 2011; Hu *et al.*, 2009; Kandampully&Suhartanto, 2003; Suhartanto, 1998; Johnson *et al.* 2001; Seiders&Grewal, 2002; Baker *et al.*, 2002; Estyvenet *et al.* 2011) that investigated the relationships between reputation and behavioral price with behavioral intentions.

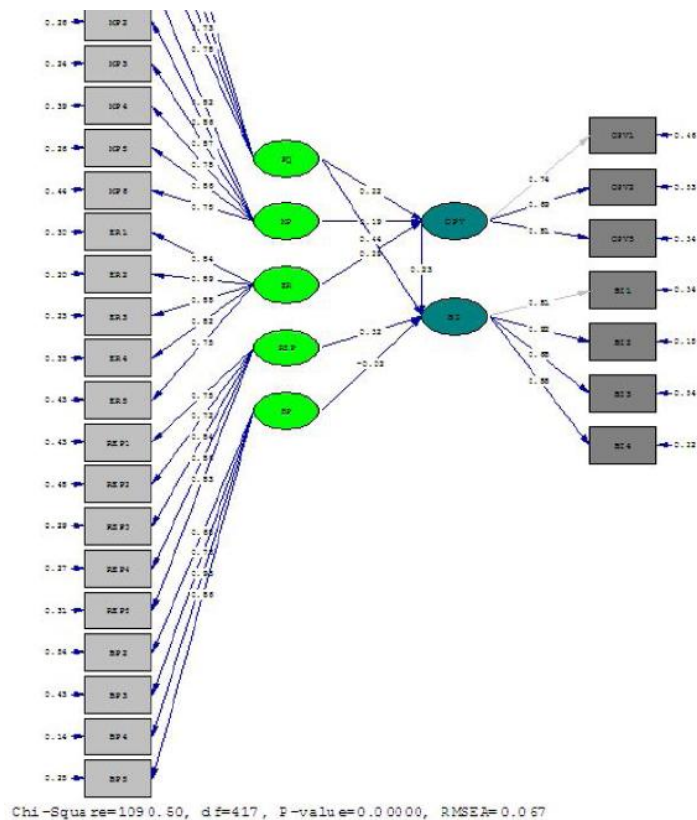
On the basis of obtained results of this study, perceived quality, monetary price and emotional response are significant predictors of overall perceived value. Among this constructs emotional response (0.29) have the largest effect on overall perceived value followed by perceived quality (0.22), and monetary price (0.19). Contrary to these findings, petricks (2004a) findings indicate that monetary price was the best predictor of perceived value among American customers.

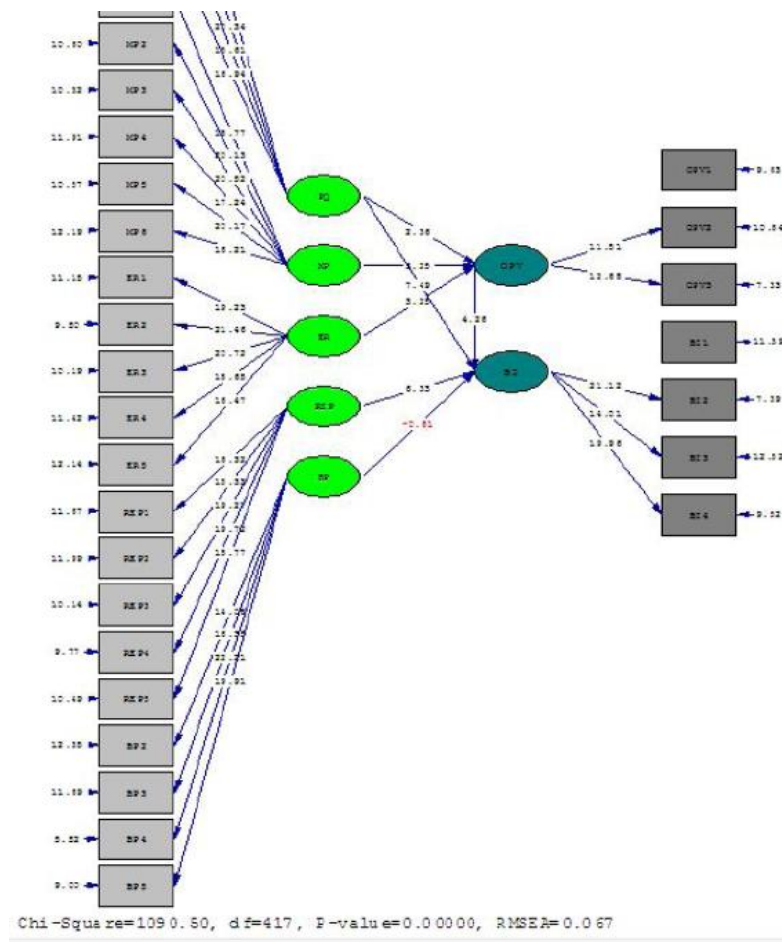
On the strength of the above results, consumers' emotional response is the best predictor of their overall perception of value. Thus, fast-food restaurant managers should enhance the pleasurable attributes of the service experience (e.g., background music; interior decoration and lighting; air-conditioning and fragrance), in order to enhance the consumers experience. After addressing the emotional response to fast-food restaurants services, managers need to enhance the quality of their services and ensure that such services are reliable and consistent. Thereafter, managers should ensure that the services are reasonably priced and appear to be good bargains from the consumers' point of view.

In this study other findings indicated that perceived quality, reputation and overall perceived value have positive significant effect on behavioral intentions. Among this constructs, perceived quality (0.44) have the largest effect on behavioral intentions followed by reputation (0.32), and overall perceived value (0.23). Thus, the current study revealed that among Iranian consumers perceived quality proved to be the strongest predictor of behavioral intentions. In addition the effect of perceived quality (0.44) on behavioral intentions is largest than the effect of perceived quality (0.22) on overall perceived value.

On the strength of the above results, Fast-food restaurants (FFRs) are providers of both products and services that need to find ways to sustain their core competencies and to continuously improve service quality. Superior service can lead to loyal and satisfied customers whose continued patronage is essential to the growth of sales and profit for FFRs. On the other hand, poor service quality leads to dissatisfied customers, who may not only refer at other FFRs, but also become active recommender in persuading others to go elsewhere. Service quality has an extraordinary impact in the fast food industry. Delivering service quality is one of the major challenges facing the fast food industry in the first years of this millennium. In any service industry, it is a critical decision for a firm to determine the appropriate level of service quality they need to deliver. When customers are not satisfied, they are not likely to purchase the service again, but also related unfavorable service experience (word of mouth) to others resulting in decrease in the current and potential sales. The fast food industry are facing an increase in competition with the introduction of the other fast food units and this increased competition has forced traditional fast food outlets to find other strategies to retain current customers and attract competitors customer. To achieve and deliver excellent service quality is a long and hard process to go through, in which everybody, from top management to the bottom need to be involved. A focus on an excellent service quality in the fast-food industry is the key to success senior management must have a special responsibility in ensuring the success of service quality in a fast-food organization. Service delivered by front line staffs must be reviewed as it the customers' first impression on the industry and the quality of service they are expected to received. Staffs friendliness and welcoming style is vital for the survival of this kind of industry. However, managing service quality is of great importance in order to have customer retention.

Appendix A: LISREL outputs for structural model (standard solution and t-value)





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