



# Role of Restaurant Attributes and Customer Perceived Value in Shaping Customer Satisfaction: A SEM Based Analysis in Beach Restaurants in South Coast, Sri Lanka

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## Article Information

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## Abstract

Making satisfied customers is everlasting challenge for any service industry. This study reveals the contribution of restaurant attributes (RA) and customer perceived value (CPV) in shaping customer satisfaction (CS) in beach restaurants in South Coast, Sri Lanka. It studied the impact of different restaurant attributes (RA) in beach restaurants on CS and mediatory impact of CPV and suggested managerial implications to make more satisfied customers based on the findings. 385 tourists who have arrived beach restaurants in south coast to fulfil their dining requirement have selected as sample by using the convenience sampling technique and self-administrated questionnaire was used to collect data. Five underlying factors were analysed under restaurant attributes; food and drink related attributes, ambience and atmosphere related attributes, price related attributes, location and place related attributes and service-related attributes by using SPSS software to identify the relationship of these restaurant attributes on customer satisfaction. All these attributes are positively associated with customer satisfaction in beach restaurants. To analyse mediator impact of CPV, Structural Equation Modelling technique has used through SmartPLS software. Based on the findings, CPV is playing a role of full mediator between the relationship of RA and CS. Based on the findings, restaurateurs can enhance customer perceived value through different unique restaurant attributes to make more satisfied customers.

## Introduction

Customer satisfaction (CS) is driving the value creation in customer experience, anticipating and managing customer expectations, and representing the firm's ability to fulfill customers' needs and wants. To achieve the objective of CS, firms are required to identify and properly forecast customer needs and it will gain more revenue for the company (Barsky & Nash, 2003). Retaining current customers is more economical than attracting new potential customers. Therefore, owners of organizations should focus on retaining existing customers by implementing better strategies and organizational policies to make more satisfied customers and enhance their loyalty. This will apply to the hospitality industry in a vital way since it is under the umbrella of the service industry. Since the service sector is playing a vital role in the economy of any country (citation), it is the biggest challenge for owners and managers in the hospitality industry to sustain customer satisfaction. Customer satisfaction leads to customers' commitment to retaining within the hotels and maintaining the long-term customer relationship with customers resulting in competitive advantages for the hotel (Choi & Chu, 2001).

Eating out in restaurants offers relaxation and enjoyment from the togetherness of family, close friends, peers and cooperate associates in the business world (Walker, 2014). Restaurants are fulfilling the unfulfilled human need for hunger and social need. Therefore, the restaurant industry has developed as a competitively emerging business in the whole world.

There are different types and the large number of restaurants addressing different needs of customers, which are operating in a highly competitive market. To become a successful restaurant business, ambience, restaurant décor, restaurant design, food, beverages, cultural artifacts, and entertainment should be given more attention by the restaurant owners (Omar et al., 2014). Service quality is one of the important factors to develop a competitive advantage in the service sector (Parasuraman et al. 1988). Past studies have represented the effect of service quality closely related to CS and their behavioural intention (Zeithaml et al. 1993). As CS is a substantial predictor of post-purchase behavior of customers, it is a key element of customers' repeat sales, loyalty, and word-of-mouth intention (Anderson & Sullivan, 1993). Hotels are increasing the consideration to enhance the perceived value of customers to achieve CS. The physical setting of restaurants also playing a major role when addressing customer needs. According to Parsa et al. (2005), they suggest that food quality is key to the success of a restaurant; however, food quality is not the only factor in the success of the restaurants. Price is another key element in customers' evaluation of service which leads to customer perceived value (CPV) which is significantly influenced on CS and their post-purchase behavior (Ryu et al., 2011).

Perceived value is also having a high association with quality of service and food, the physical environment, and CS. However, in past researches, the role of perceived value is relatively unexplored in service marketing (Ryu et al., 2011). Customer perceived value is "the difference between the prospective customer's evaluation of all the benefits and costs of an offering and the perceived alternatives" (Kotler & Keller, 2016). However, few past studies identified the influence of perceived value on customers' behavioral intention (Cronin & Taylor, 1994; Hettiarachchia & Lakmal, 2018). This study will

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contribute to the existing knowledge of CPV in service sector, since it is using SERV-PERVAL model, which is most suitable model to measure the CPV in service sector (Petrick 2002). It is considering the role of CPV between the RA and CS in restaurant sector and contributing to the existing literature.

A customer will judge a restaurant based on several areas: food quality and presentation, service, ambiance, cleanliness and value portion, menu variety, reasonable cost, and healthy food options (Wade, 2006; Jang & Ha, 2009). According to the observations of the preliminary study, in beach restaurants, it is not much concern about proper standards, clean and neat dress codes, healthy food options, and standardized services when providing restaurant services. However, observation of preliminary study shows that there is a huge demand for beach restaurants as dining location than other fast-food restaurants, theme restaurants, hotels, pubs, street food vendors, and other meal providers and customers are satisfied with the service at beach restaurants. Therefore, the researcher required to find that is there any influence of the above-mentioned attributes on customer satisfaction in beach restaurants and to check whether there are any other variables, which determine the customer satisfaction in these restaurants.

There are a number of researches based on service quality, return intention, and customer satisfaction of the restaurant services. However, there is a lack of academic studies in the area of the influence of restaurant attributes on the CS in beach restaurants in Sri Lanka. It is important to study about this area because beach restaurants in Sri Lanka have not received worthy attention from past scholars disregarding its contribution to food and beverage business as a growing market segment. Therefore, this study assessed the relationship between restaurant attributes and customer satisfaction in beach restaurants, the role of customer perceived value between the restaurant attributes, and customer satisfaction in beach restaurants. Finally, it is suggesting the managerial implications for the restaurant owners to enhance the CPV and CS in beach restaurants.

## Literature Review

### Restaurant Attributes (RA)

Evaluation of RA is generally connecting with the restaurant experience (Ponnam & Balaji, 2014). These attributes are highly influencing customers' purchase decisions and in the end, it will impact the CS level (Chen & Hu, 2010). Andaleeb & Conway (2006) identified responsiveness, food quality, and price as key attributes that are driving towards CS in restaurants. Quality of the foods and food-service drives towards the overall CS while the quality of the foods, food service, ambiance, and price of the menu drives CPV (Arora & Singer, 2006). Food, atmosphere, and service influencing the high level of CS in full-service restaurants (Namkung & Jang, 2008). Han & Hyun (2009) done the research by using Structural Equation Modelling and identified quality of food and service quality, location, price, and the environment as determinants affecting customers' equity in restaurants. Based on the past researchers' findings, the researcher has selected food and drink-related attributes (FDA), ambiance and atmosphere related attributes (AAA), price-related attributes (PA), location-related attributes (LA), and service-related attributes (SA) as key RA to develop the independent variable of a conceptual framework to conduct the study.

Jang et al., 2012 stated that high-quality foods motivate customers to spread positive words about the experience that they received from dining at the restaurant. Ambiance and atmospheric attributes such as theme, background music, colors, lighting, smell and deco's of the restaurants are influencing customers' emotions and behavioral intentions (Liu & Jang, 2009). Social elements and environmental factors importantly determined the perceived value of the customers (Ponnam & Balaji, 2014). The price of the foods and beverages is a non-food related element that can be determined and communicated the quality of the restaurant and restaurant experience (Ponnam & Balaji, 2014). From the tourist's perspective, they were more concerned about the location, convenience, and appearance of the restaurant (Yüksel & Yüksel, 2003). However, restaurateurs are considering location alternatives, evaluate these locations, and select the best location when establishing the restaurants (Ponnam & Balaji, 2014). Restaurant services are consisting of the interactions of service staff and customers and the evaluation of the service quality is considering as one of the most significant factors in CS in restaurants (Dhurup et al., 2013).

### Customer Perceived Value (CPV)

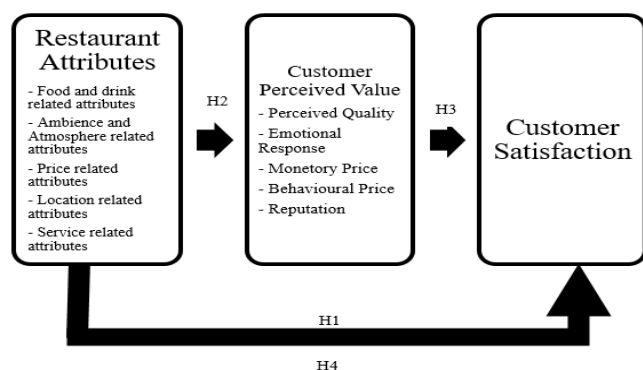
CPV is an important result of promotional and marketing activities and it can be considered as an essential element in customer relationship marketing (Ravald & Grönroos, 1996). It is difficult to explain and measure (Woodruff, 1997) and it is very subjective and depends on the person (Parasuraman et al., 1985). Generally, perceived value can be defined as the "the consumer's overall assessment of the utility of a product (or service) based on perceptions of what is received and what is given" (Zeithaml, 1988). According to past researchers, CPV is influencing CS and repurchase intention of customers (Cronin et al., 2000). Past researchers used SERVQUAL model (Parasuraman et al., 1988) and SERVPERF (Cronin & Taylor, 1992) to quantify the perceived service quality. SERV-PERVAL scale is a multidimensional scale can be applied in tourism industry, since it is able to measure the perceived service value (Petrick 2002). The researcher used SERV-PERVAL model suggested by Petrick & Backman (2002) including five dimensions quality, monetary price, non-monetary price, reputation, and emotional response to measure the CPV. Perceived quality of restaurants can be explained as the customers' assessment of intrinsic attributes as taste, food ingredients, nutritional values, and overall food quality (Bellizzi et al., 1981). As per the past researcher, (Petrick, 2002), the level of emotional excitement is the main determinant of the perceived value which customers are experiencing during and after the service consumption. According to Zeithaml, 1988, price is the monetary value or money that customers are sacrificing to purchase the product or service. Price is related to the self-esteem of people and if they have good economic conditions, they prefer to consume high-quality food (Petrick, 2002). Non-monetary costs are determinants of quality gained for the paid price including search cost, time, effort, convenience, and brand image of the product or service (Petrick, 2002). Therefore, both monetary and non-monetary (behavioral) costs are equally contributing towards customers' overall perceived value and it will affect customers' perception about the product and service value (Petrick, 2002). Reputation will inspire the selecting decision of customers and it directly affected the customer-related outcomes (Kotler & Fox, 1995). Good reputation or company image linked with delivering high value with products and services and it has a strong correlation to offer high-quality service and products (MacMillan et al., 2005).

### Customer Satisfaction (CS)

As individuals, customers are obtaining the value that they hope for and expect from products and services, resulting in the pleasure and feeling of well-being can be defined as the psychological concept of CS (World Tourism Organization, 1985). According to the marketing, literature satisfaction can be defined as customers' overall assessment of the experience of buying and the consumption of a product or service (Cronin & Taylor, 1992). CS is "a person's feelings of pleasure or disappointment that result from comparing a product or service's perceived performance (or outcome) to expectations" (Armstrong & Kotler, 2016, p.153). High CS indicating the future profit for the company. CS is affected by customer expectations and it is a highly subjective assessment of customers. Customers should receive significant added value to be satisfied. Moreover, CS can be considered as a motivation to repurchase intention and behavior which leads to revenue and profits for the organization in the future. Recent studies defined CS as the overall experience of customers with a product and service as it is focusing a cumulative satisfaction (Manosalvas et al., 2019). Tourists' perception of hotel attributes can be consider as the level to which hotel facilities and services are significantly increasing tourists satisfaction during their stay at hotels (Wuest et al., 1996). According to the empirical study done by Poon and Low (2005) about the tourist satisfaction levels on facilities of Malaysian hotels, results are highlighting that, Asian and Western tourists are satisfied with price, food and beverages, recreational and entertainment opportunities, hospitality of the host, location, transportation, accommodation facilities, safety and security and payments.

In 1993, Fornell has developed the American Customer Satisfaction Index (ACSI) model by identifying the antecedents and significances of CS and the causal relationships between those factors and CS (Suleiman, 2012). According to Dani (2014), basically, it is including six factors; perceived quality, perceived value, and consumer expectations on the left-hand side as the background of CS; CS in the center; and customer loyalty and customer complaint on the right-hand side as the outcomes of CS. Perceived quality has a direct effect on CS which is measuring customer experience, perceived value is measuring the quality of value gained by the customer compared with the price paid to obtain the product or service and customer expectation is measuring customers' expectation of the quality related to company's products

and services and indicating the experience of advertising and word of mouth marketing at pre-purchase stage (Ali & Kaur, 2018). A customer complaint is dissatisfaction caused by not purchasing a company's products and services, and customer loyalty represents the obligation to repurchase consistently in the future or recommend the product or service for others (Manosalvas et al., 2019). By looking at the influences and impacts, restaurant owners can decide the important determinants of satisfaction which are if sharpened, would have the greatest impact on customer loyalty (Dani, 2014). Recently, most of the researchers have used the ACSI model to measure CS related to the tourism and hospitality industry since it is measuring the overall experience of tourists (Manosalvas et al., 2019; Dani, 2014; Sun & Kim, 2011). ACSI model is measuring the overall satisfaction of customers and since the appropriateness and correspondence of the ACSI model to this study, the researcher has selected the model to measure the CS at the research.



**Figure 1:** Conceptual Framework

Source: Researcher developed based on past literature

Researcher identified restaurant attributes as an independent variable, customer satisfaction as dependent variable and customer perceived value as mediator variable in theoretical model.

H1: There is a positive relationship between RA and CS

H1a: There is a positive relationship between Food and Drink related Attributes and Customer Satisfaction

H1b: There is a positive relationship between Ambience and Atmosphere related Attributes and Customer Satisfaction

H1c: There is a positive relationship between Price related Attributes and Customer Satisfaction

H1d: There is a positive relationship between Location related Attributes and Customer Satisfaction

H1e: There is a positive relationship between Service related Attributes and Customer Satisfaction

H2: There is a positive relationship between RA and CPV

H3: There is a positive relationship between CPV and CS

H4: There is a positive relationship between RA and CS mediated by CPV

## Research Methodology

### Population and Sample

International tourists who have arrived in the coastal area in Sri Lanka to fulfill their dining requirements can be considered as the population of this study. The researcher selected a sample of 385 international tourists who are coming to the South coast, Sri Lanka to fulfill their dining requirements.

South coast is having the largest accommodation capacity (8,695 rooms) and highest occupancy rates (59.68) in tourist hotels in Sri Lanka during the last year 2019 (SLTDA, 2019). When considering foreign guest nights in tourism regions, the south coast having the highest foreign guest nights (3,686,554) in graded accommodation establishments in the year 2019 (SLTDA, 2019) representing the highest tourist demand for the area. Moreover, there are 503 registered restaurants under SLTDA and there is a large number of

unregistered restaurants established within the country (SLTDA, 2019). From that South coast is having 49 SLTDA registered and many more unregistered destination restaurants (beach restaurants) in Sri Lanka (SLTDA, 2019). Therefore, it can suggest that there is a sufficient number of beach restaurants located in the South coast. Therefore, the researcher selected the South coast, Sri Lanka to conduct the research study. As a result of a preliminary study, the researcher has found that the highest number of beach restaurants are located in Mirissa, Tangalle, and Unawatuna when compared with other destinations on the South coast of Sri Lanka. Therefore, the researcher has considered these three areas to cover all areas in South Coast up to Galle and beyond Galle.

### Sampling Technique and Sample Size

The sampling technique is a non-probability technique and the sample has selected by using the convenience sampling technique since there is no exact number of tourists who have arrived in these areas to fulfill their dining requirements. The sample size, 385 has determined by using the Cochran formula suggested by Cochran (1953).

### Data Collection Technique, Data Collection Instrument and Data Analysis Technique

Primary data has collected through personal visits. The researcher has fielded a self-administrated questionnaire including the main four parts. Part A contained the personal and demographic profiles of different participants, part B contained the questions about the independent variable, RA. It is based on five main attributes; Food and Drink related attributes (FDA), Ambience and Atmosphere related attributes (AAA), Price related attributes (PA), Location-related attributes (LA), and Service-related attributes (SA), part C included the questions regarding CPV which is consider as mediating variable. This measures by using five determinants; perceived restaurant quality, perceived emotional response of customers, perceived monetary price, perceived behavioral price, and perceived reputation, as suggested at SERV-PERVAL scale (Petrick, 2002), and finally part D contained the questions about dependent variable; CS, which has measured through ACSI model suggested by Fornell et al., (1996). The questionnaire has filled from the right respondents who have arrived south coast to fulfill their dining requirements for true results. At the end of an initial screening, 354 questionnaires were completed and properly filled from fielded 385 questionnaires and those 354 questionnaires has taken to further analysis. Thus, the effective useable response rate for the research study was 92%. For the purpose of analyzing the data, it has entered all the collected data into SPSS 21 and SmartPLS 3.0 software (Ringle et al., 2015).

### Assessment of Reliability and Validity of the Sample

According to the results, Cronbach's Alpha of all variables is meeting the 0.7 least threshold level (Mihail & Kloutsiniotis, 2016). The composite reliability coefficient ranged from 0.833 to 0.882 of each latent constructs. As per Bagozzi & Yi (1988), all three composite reliability coefficient values are meeting 0.7, the least acceptable level. Depend on the results, it can be determined that adequate internal consistency reliability was established between variables (Hair et al., 2012).

**Table 1:** Reliability Measures

	Cronbach's Alpha	CR	AVE
CPV	0.876	0.877	0.593
RA	0.868	0.833	0.503
CS	0.806	0.882	0.519

Source: SmartPLS Output from Field Information

Validity has assessed by calculating a convergent validity and discriminant validity of variables. According to the past research, each variable should have more than 0.7 outer loading value and 0.50 or higher average variance extracted (AVE) value to conclude that there is validity among variables (Hair et al., 2014).

As proposed by Fornell & Larcker (1981), the convergent validity of each construct has assessed by using AVE. As per Chin (1998), the AVE value for each variable should higher than 0.5 to explain more than half of the variance of its indicators and according to the above table, all the AVE values are proving that concept. It means there is adequate convergent validity of each latent construct.

**Table 2:** Discriminant Validity

	CPV	CS	RA
CPV	0.770		
CS	0.621	0.720	
RA	0.644	0.294	0.709

Source: SmartPLS Output from Field Information

The above table is representing DV values in bold letters and correlation among each variable. As per the criterion, the DV value is the square root of the AVE of each variable. All DV values are greater than the correlations among variables, therefore according to Fornell & Larcker (1981), it can be suggested adequate DV in each variable.

### Multiple Linear Regression Analysis

To identify the relationship between RA and CS in beach restaurants, the researcher has used multiple linear regression analysis by using SPSS 21 software. It clearly defined the determinants of restaurant attributes and their impact on CS by building up the regression equation.

### Mediation Impact Analysis

This study has used the PLS-SEM method to conduct a mediator analysis. Unlike other methods, this method is not making normality assumptions on data distribution (Hair et al., 2014). When comparing with those methods, the PLS-SEM technique can be applied for comparatively smaller sample sizes while gaining an adequate level of robustness. Therefore, as the most suitable method, the researcher used the PLS-SEM method for the mediation analysis of the research.

## Data Analysis and Interpretation

### Profile of the Sample

Hundred and forty-eight (148- 41.81%) male tourists and two hundred and six (206 - 59.19%) female tourists have participated in the study. According to the collected data majority (hundred and fifty) of the tourists are under the age of 20-30 years and as a percentage it takes 42.38% from the whole sample. There are 31.07% (hundred and ten) tourists from 31-40 years. Few tourists (eight) are under the category of below 20 years as well as above 60 years. When considering the occupation level of the respondents, most of them (one hundred) (28.25%) are working in the private sector, and 21.19% (seventy-five) tourists are working in the semi-government sector as well. 20.34% (seventy-two) are working in the public sector and 14.59% (fifty-two) are professionals such as doctors, engineers, lawyers, accountants, and etc.). Most of the tourists (108- 30.51%) were travelled with their partners. 26.84% (ninety-five) travelled with their friends. When it compares with the age the highest number of tourists are under 20-40 years. It means they have mostly travelled with their partners as well as with their friends. Also, fifty-one (14.41%) individual travellers were there while contributing to creating a new tourist trend of solo travellers. Most of the tourists who travel with travel groups are not allowed to stay at the beach and go to the restaurants as their preference, since they have to follow a scheduled tour package organized by their travel agent. Therefore, the least number of tourists, (twelve) 3.39% who travelled with the travel group has responded to the study.

### Relationship between each Restaurant Attribute and Customer Satisfaction

**Table 3:** Coefficient Table

Model	B (unstandardized coefficient)	Standard error	B (standardized coefficient)	T value	P-value
(Constant)	2.410	.585		4.118	.000
FDA	.232	.018	.460	12.782	.000
AAA	.157	.019	.290	8.263	.000
PA	.023	.010	.357	2.300	.024
LA	.227	.081	.151	2.802	.005
SA	.382	.084	.298	4.547	.000

Source: SPSS Output from Field Information

As per the table, Y-intercept/ constant value ( $\beta_0$ ) was 2.410 which is representing the height of the regression line when it is crossing the Y-axis. It implies that, when all other variables are zero, CS is 2.410. Since the p-value is less than 0.05 statistical significant level, the result was significant. The beta coefficient of FDA was 0.232 which illustrates that, when FDA increased by one unit while other variables are constant, CS increased by 0.232. Since the p-value (0.000) is less than 0.05, the relationship is statistically significant. Accordingly, all other variables (identified restaurant attributes) were related with CS with beta coefficient values 0.157 (AAA), 0.023 (PA), 0.227 (LA), and 0.382 (SA) and all the values are significant at 0.05 significant level. Moreover, all the variables were represented by positive relationships with CS. Therefore it can reject the null hypothesis and accept alternative hypotheses.

Therefore it can accept;

H1a: There is a positive relationship between FDA and CS

H1b: There is a positive relationship between AAA and CS

H1c: There is a positive relationship between PA and CS

H1d: There is a positive relationship between LA and CS

H1e: There is a positive relationship between SA and CS

$$CS = 2.410 + 0.232 \text{ FDA} + 0.157 \text{ AAA} + 0.023 \text{ PA} + 0.227 \text{ LA} + 0.382 \text{ SA} + \epsilon$$

### Mediation Analysis

The researcher followed the bootstrapping techniques to assess the full PLS structural model in simple mediation models when estimating indirect effects as recommended by Hair et al (2014). Firstly, to assess hypothesis 1, the researcher considered the direct effect between RA and CS, without considering the mediator impact of CPV.

**Table 4:** Path Coefficients - Direct Effect and Indirect Effect

	Direct Effect			Indirect Effect		
	Original Sample	T Statistics	P Value	Original Sample	T Statistics	P Values
RA -> CS	0.223	0.884	0.377	0.509	8.079	0.000
RA -> CPV	0.894	37.258	0.000			
CPV -> CS	0.569	8.492	0.000			

Source: SmartPLS Output from Field Information

The above table summarizes the results which explain the direct and indirect relationships among independent (RA), dependent (CS), and mediator (CPV) variables. RA has a direct impact on CS. However, t-statistics value (0.884) is less than 1.96, and this effect is not statistically significant (p-value 0.377) at 0.05 level. Thus, H1 is not significant at 0.05 statistical significant level and it is rejected. Moreover, H0, null hypothesis (There is no relationship between Restaurant Attributes and Customer Satisfaction) has accepted. RA has a direct statistical effect (0.894) on CPV and the t-statistics value (37.258) is higher than 1.96. Since the p-value (0.000) of these values are less than the 0.05 statistical significance level this effect can be considered as statistically significant. Therefore, H2 can be accepted. CPV has a direct statistical effect (0.569) on CS and the t-statistics value (8.492) is higher than 1.96. The p-value (0.000) also less than 0.05 statistical significant level and this effect are statistically significant. Therefore, H3 can be accepted. An indirect effect between RA and CS is 0.509. The t-statistics value is 8.079 and it is higher than 1.96. H4 can be accepted since both values are statistically significant at the 0.05 significance level. There is no indirect effect between RA and CPV as well as CPV and CS.

Total effects between variables are shown in the below table. There is no indirect effect between RA and CPV as well as CPV and CS. Therefore, total effects should equal to direct effect values. However, there is a total effect of 0.732 existing between RA and CS. All the t-values are higher than 1.96 and all the total effects are statistically significant at 0.05 level.

**Table 5:** Total Indirect Effects

	Original Sample	T Statistics	P Values
RA -> CS	0.732	8.47	0.000

RA -> CPV	0.894	37.258	0.000
CPV -> CS	0.569	8.492	0.000

Source: SmartPLS Output from the Field Information

To prove the mediating effect among variables, the researcher has used SmartPLS bootstrapping technique with 1000 samples which are drawn randomly, with replacement at the 0.05 statistical significance level. The table below has verified three different levels of mediating effects.

**Table 6:** Mediating role of Customer Perceived Value

	Direct Effect (t-value)	Indirect Effect (t-value)	Total Effect (t-value)	Effects	Result
RA ->CPV-> CS	0.223 (0.884)	0.509 (8.079)	0.732 (8.47)	Full Mediation	H4 supported

Source: SmartPLS Output from Field Information

According to the results, it supports H4 and CPV fully mediates the association between RA and CS. According to Hair et al., (2016) if the direct effect between independent and dependent variables without a mediator is not significant and the indirect effect between RA and CS through CPV is significant, it can conclude that there is a full mediation effect of the CPV between the RA and CS.

I. The direct effect is not statistically significant.

II. The indirect effect is statistically significant.--> Full mediation

Therefore, it can be determined that there is a full mediation of CPV between the relationship of RA and CS.

## Conclusion and Recommendation

In the business world, CS is playing a major role, and studies on CS have continuously conducted by researchers. Past researchers have significantly contributed to determining the RA affecting CPV value and tourist satisfaction (Yüksel & Yüksel, 2002). However, past researchers rarely used tourists who have arrived to fulfill their dining requirements at beach restaurants on the South coast, Sri Lanka as respondents of their studies. Therefore, this study has conceptualized the model by using international tourists who visited the South coast, Sri Lanka throughout the study period. Moreover, the findings of the research will contribute to the destination managers, restaurant owners, and marketing managers to realize the significance of tourist (customer) satisfaction in tourism businesses. RA is having strong positive relationship (0.894, t value = 37.258, p-value = 0.000) with the mediator, CPV and CPV is having moderate positive relationship (0.569, t value = 8.492, p-value = 0.000) with CS. Therefore, the results are indicating that the RA were significant determinants of CPV. This is positively supported by past research with the argument that RA was inter-related with CPV (Longart et al., 2018). Moreover, CPV was a significant determinant of CS and it is creating a strong and direct impact on CS. Perceived restaurant quality, perceived emotional response of customers, perceived monetary price, perceived behavioral price, and perceived reputation are the determinants of CPV and all these factors are having a direct impact on CPV. These results can be proved with the findings of past researches (Hettiarachchia & Lakmal, 2018). Therefore, CPV has found as the most important factor in determining CS (Ali et al., 2015). Therefore, results are revealing that there is a full mediation impact of CPV between the relationship of RA and CS with the total mediatory effect of 0.732 (t value = 8.47, p-value = 0.000). These results can be proved with the findings of past researches (Ryu et al., 2011). Moreover, not only in the restaurants but in other service industries also, CPV is playing a mediator role between attributes such as service quality and CS (Cronin et al., 2000).

### Theoretical Contribution of the Study

The study examined different RA in customers' experience and satisfaction. Specifically, this is considering food and drink-related attributes (food quality, food, and beverage varieties in the menu, the freshness of food ingredients, food taste); the ambiance and atmosphere related attributes (decorations, physical environment, music, colors); price-related attributes (menu price); location related attributes (easy accessibility, availability of public transportation) and service-related attributes (employees' knowledge, prompt service, service quality, responsiveness) in determining CPV and CS.

Therefore, this study represents a more comprehensive analysis of customer experience such as customer perceived value and CS through diverse RA. Secondly, the current study evaluates the importance of identified RA in beach restaurants in shaping the customer experience. However, previous studies have mainly focused on the attribute performance (Jang et al., 2012) and the current study is confirming the significance of RA by identifying the fundamental role of RA in determining customer experience at beach restaurants. According to the findings, service and food and drink-related attributes are the most significant attributes which are influencing customer experience in beach restaurants. Thirdly, this study is identifying consequences as customer's values such as perceived value (Perceived restaurant quality, Perceived emotional response of customers, Perceived monetary price, Perceived behavioral price, and Perceived reputation) and ultimate customer experience (satisfaction, dissatisfaction, excitement, delightfulness) that they can achieve through these attributes. This study is utilizing the proper method to identify the most important attributes which are gaining those values and benefits for the customers in restaurant settings. Moreover, this study is contributing to existing literature on RA in evaluating the relationship between CPV and CS.

### Managerial Implications

This study has suggested marketing and managerial implications for restaurateurs to implement in their businesses to obtain the highest results. Restaurateurs are required to understand the importance of RA to identify the value of each attribute to enhance the CPV. Since the service and food and drink-related attributes are serving high contribution to enhancing the value of restaurants and CS, owners are required to enhance service quality and food and drink-related attributes in restaurant industry (Namkung & Jang, 2007). Because of these factors, customer behavioral intentions are enhancing and they will spread encouraging word of mouth about the restaurant among others. Therefore maintaining high-quality service-related attributes and high-quality food than achieving cost advantages will establish a positive image towards beach restaurants by making them more unique and different from other competitive restaurants. However, results discovered that maintaining service-related attributes and food-related attributes are not enough to influence customer experiences. Therefore, the physical environment and atmosphere, and also location should be maintained to attract more customers towards the restaurants. Owners should get the maximum benefit of the location of these restaurants since the South coast is having the eye-appealing beach and coastal line which can attract more customers towards the restaurants. All these factors can enhance the perceived value of customers and their experience. Restaurant managers are required to utilize these valuable assets and properly plan, change and control the physical environment (background colors, drawings can be matched with the sea theme, background music, matching furniture, dress code of employees) of these restaurants to maintain a distinct and unique environment to differentiate the place among rivals. Apart from that customer service should enhance by maintaining good hygienic conditions and safety in the food and environment. When considering the employees such as food servers, restaurant owners, and guides for surfing and other beach related activities they should have proper knowledge about the environment and near attractions. Most of the employees are from near villages and cities and they are not much focusing on the dress code and neatness of their dresses. Moreover, they don't have proper standards of serving foods and proper English knowledge to communicate. However, beach restaurants are maintaining their own culture and they are getting high demand for these authentic experiences. Therefore, they should maintain the culture carefully and try to attract more customers towards the concept.

For restaurant owners, the results are relating to the mediating role of CPV reveal that achieving CS not only based on the restaurants' ability to achieve CPV, however, to create a positive image for the beach restaurants. Therefore, the association between restaurant image, CPV, and CS should strengthen customer behavior to enhance the revisit intention towards the place and favorably recommend the place to others (Word of mouth). Moreover, they should critically focus on all the above factors to enhance the CPV since it is playing a major role in the link between RA and CS. It is one of the most valuable factors for the service sector to create a benchmark and it is required to monitor the performance of employees as well as feedback of the customers to become an effective business.

### Limitations and future research directions

As with every study, the current study also has practical limitations. These limitations are able to address in future studies. This study has conducted for

beach restaurants in the South coast in Sri Lanka and it is difficult to generalize the results for all types of restaurants and all Sri Lankan coastal areas as Northern and Eastern areas. Customer motives and influences for their satisfaction may differ through different restaurant types as fast-food restaurants are attracting customers who are valuing fast service for low cost (Ponnam & Balaji, 2014). Therefore, future studies can focus on different types of restaurants for their studies and they can compare the results with each other. Secondly, the sample size is not comparatively larger with the number of customers who are attracting towards the South coast. There can be errors in generalizing the results for the whole population. However, the sample size is inlining with statistical requirements when conducting a convenience sampling technique to select the sample and it is sufficient for the analysis. Thirdly, the scope of the research study was restricted to analyses the relationship between RA with CPV and CS. However, there are potential future researchable areas such as examining the association between these restaurants and behavioral intentions of customers such as return intention and readiness to spread encouraging word of mouth among others. This study has collected data from customers (tourists) only. However, for future researches, it can be suggested to collect data from service providers' aspect as well to get more balance results from both two aspects.

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