COGNITIVE AND AFFECTIVE SERVICE MARKETING STRATEGIES FOR FINE DINING RESTAURANT MANAGERS

Raj Arora, Ph.D.
University of Missouri-Kansas City

Joe Singer, Ph.D.
University of Missouri-Kansas City

ABSTRACT

This study extends the research on the importance of attitudes and emotions related to consumption experience at fine dining establishments. Prior research suggests that emotions are a primary source of human motivation; for small business restaurant managers the role of emotions is critical in influencing satisfaction, attitudes, and intention of customers to return. Estimated coefficients from causal models show the relative impact of prior attitudes and emotion on satisfaction, post-consumption attitudes and intentions.

INTRODUCTION

In the restaurant business today, it is no longer enough to be “close to your customer” through attentive quality service alone. Customer loyalty results from positive emotions aroused during the dining experience. The dining experience includes not just the entrée (product), but also the surprise and delight from a meticulously garnished and artistically presented meal unique to each person’s differing tastes and desires. For example, Pine and Gilmore (1999), provide compelling examples indicating that product is not just a product, in that a coffee in a five star restaurant is different than coffee elsewhere. The former embodies a heightened sense of theater (presentation and service), enticing a customer to willingly pay $2 or more for the coffee. Destination restaurants strive to provide an entertainment experience.

Fine dining is a major component of the national economy. It is a healthy and growing market. Restaurant industry sales are expected to reach a record $511 billion in 2006 (National Restaurant Association). The projected annual sales would mean a 5.1 percent increase over last year – and a total economic impact of over $1.3 trillion. It is the first time the industry’s sales will cross the half-trillion dollar mark. This equates to more than $1.4 billion a day in sales. The restaurant industry’s share of the consumer food dollar is nearly 48 percent. As one of the nation’s most aggressive job creators, the industry employs 12.5 million people in 925,000 locations.

After years of “fast-track” eating, the baby boomer generation is now seeking a “connoisseur experience” when dining out. They are seeking a “time-using” (a social-emotional experience) rather than “time-saving” (eat on the run) philosophy when it comes to dining. Being better educated and knowledgeable about proper diet and the importance of ingredients, fine dining customers expect a quality experience of fine cuisine artistically presented to create a “wow factor” through dazzling improvi-
sation. For service marketing such as fine dining, emotional benefits must be included along side the economic view of consumption, especially in an industry that relies on forty-five percent word-of-mouth promotion and has one of the highest failure rates (50% within four years) in studies by the U.S. Small Business Administration. Parsa, Self, Njite, and King (2005) tracked the failure rates of restaurants from 1996 to 1999. In the first year, 26 percent closed. Another 19 percent closed in the second year and another 14 percent closed in the third year. Collectively, 59 percent of restaurants that opened in 1996 closed in three years. The study also showed that the failure rate was the same for franchised and independent restaurants, 61 percent.

Several researchers have stressed the importance of consumption emotions in marketing strategy (Holbrook & Hirschman, 1982; Westbrook, 1980b; Westbrook, 1987). Consumption emotions refer to the set of emotional responses (for example, joy, anger, interest, etc.) elicited specifically during product usage. For some products, emotional benefits are a superior choice criterion than instrumental performance (economic view of consumption). For example, a person buys an automobile for utilitarian reasons such as price, miles per gallon, safety, etc. In addition, a person may also buy a specific make of a car for hedonic reasons - those related to conspicuous consumption such as status. Similarly, one may choose to patronize a particular restaurant for cognitive reasons such as the quality of food, quality of service, or location or one may choose to dine at a restaurant for emotional experiences such as the excitement and enjoyment while dining. In most consumption situations, both hedonic and utilitarian factors play a role in satisfaction and attitude toward the product. In some situations one factor may play a more dominant role than another factor. The study of emotions is important in marketing. Emotions constitute a primary source of human motivation and also influence memory and information processing (Kuhl, 1986). Cohen and Areni (1991) in their review of affective processing mechanisms, indicate that consumption emotions leave strong affective traces or "markers" in episodic memory. These memory elements are highly accessible to cognitive operations. That is, these experiences can be readily retrieved and integrated into current evaluative judgments. Thus, it is imperative for marketing professionals to understand the influence of consumption emotions and satisfaction on attitude change and how these factors influence repeat purchase. Since services are intangible, the role of experience may be very prominent in attitude development. Thus, above mentioned variables are particularly important in the context of a service.

This paper explores the relationship between emotional experiences, attitudes, satisfaction, and intentions in the context of a fine dining experience. The next section contains a review of literature on major constructs in the study followed by the method, results, and discussion of findings for restaurant managers/owners. We first describe the role of emotions, satisfaction, and attitude in services marketing. This is followed by specific literature and models related to the role of emotions, satisfaction, and attitude in fine dining setting.

EMOTIONS (THE AFFECTIVE SIDE OF CONSUMPTION) SATISFACTION AND ATTITUDES

Examination of marketing practices reveals motives/appeals in marketing. These range from products to services. For example, consider the Pontiac slogan, "we build excitement" or Starbucks' proclamation that it does not just sell coffee but provides the ambiance to savor the coffee. Phillips and Baumgartner (2002) tested the influence of emotional experiences on satisfaction. They

\[3 \text{ Joy and enjoyment are used synonymously in this paper.} \]
hypothesized that positive consumption emotions will exert a positive impact on satisfaction and negative consumption emotions will exert a negative impact on satisfaction. Their interest was in determining the incremental effects of emotions on satisfaction when other variables, such as expectations and performance, were included in the model. The findings supported the influence of positive and negative emotions on satisfaction.

While it is in the interest of marketers to enhance positive emotions, there may be situations where negative emotions also need to be carefully managed. Yi and Baumgartner (2004) focused on the negative emotions during purchase situations. Some of the undesirable consequences of these outcomes are negative consumer emotions such as anger, disappointment, regret, and worry.

Westbrook (1987) used Izard's (1977) DES II scale (10 emotions). The findings revealed that positive and negative emotions were correlated with satisfaction. The positive affect emotions included joy and interest, while the negative emotions were anger, contempt, surprise, and disgust. The product setting for the study was automobiles and cable TV. In a later study, Westbrook and Oliver (1991) showed that satisfaction was related to pleasant surprise and interest. Mano and Oliver (1993) further investigated the impact of emotions on satisfaction. Their findings showed that satisfaction was positively correlated with pleasure and negatively correlated with displeasure.

Emotions result from exposure to specific stimuli. Surprise, for example, may be caused from an exposure to unexpected attributes of a product or situation such as unusually high or unusually low quality. One may experience a feeling of being relaxed in a restaurant with appropriate ambiance and music. Attitudes, in contrast to emotions, are also directed toward specific objects. However, they are more enduring and may be based on knowledge and/or consumption experience (including cognitive as well as emotional judgments). Furthermore, attitudes can be developed without consumption of a product or service and may be modified after further information or trial of the product or service. Attitudes, in this sense, may precede as well as follow consumption experience.

Another construct that deserves attention is satisfaction. Customer satisfaction is considered to be the core of marketing strategy. Customer satisfaction refers to the ability of a business to serve its customers according to their expectations and to maintain a long term relationship with each customer. Perceived satisfaction is believed to be an important variable in explaining complaints, and repeat purchase behavior (Howard, 1989). Like emotions, satisfaction is also conceptualized as transaction-specific. A consumer may feel satisfied or dissatisfied with a specific product or service experience. The findings of Westbrook (1987) revealed significant impact of positive as well as negative affect on satisfaction.

MAJOR CONSTRUCTS RELATED TO FINE DINING AND PATRONAGE MODELS

Do people go out to "eat" or to "dine"? The answer may depend on a number of factors including, but not limited to, goals of the customer and type of restaurant chosen (fast food, family style, fine dining, etc). The success of restaurant managers/owners depends on their understanding and serving to their customers' wants and expectations better than their competitors. The major constructs in this study are discussed next.

Satisfaction

Customer satisfaction has generated considerable interest and research in marketing. It has become a central concept in marketing as reflected by the frequent reference to the J. D. Power Survey of
customer satisfaction. "Satisfaction" is usually referred to as a post-consumption evaluation based upon a judgment continuum that may range from dissatisfaction to satisfaction. Moreover, customers evaluate service encounters based on prior expectations of service. That is, the actual performance during a service encounter depends not only on actual performance but, also, on prior expectations before receiving and experiencing the service. Customer satisfaction, or dissatisfaction, results from experiencing a service encounter (Oliver, 1980).

Satisfaction studies reveal three distinct constructs related to satisfaction. These are expectations, performance, and disconfirmation. "Disconfirmation" reflects the degree of discrepancy between expectation and performance. Disconfirmation may be close to zero (a customer received what was expected), positive (performance exceeds expectations), or negative (performance falls short of expectations). The variables affecting satisfaction are expectations, perceived performance, perceived disconfirmation of expectations and attitudes. Consequences of satisfaction are word-of-mouth activity, attitude, and intention to repeat purchase (Churchill & Suprenant, 1982; Oliver, 1980; Oliver & Desarbo, 1988; Yi, 1990).

Dube et al. (1994) focused on the elements of customer satisfaction that may explain return visits to a restaurant. The elements included food quality, menu variety, restaurant environment, waiting time, etc. The findings revealed that all variables were significant; however, the relative importance of these variables varied depending on whether the purpose of the visit was business, leisure, or a special occasion.

Oh (2000) urged restaurant managers to use caution in interpreting satisfaction scores. Oh investigated the role of pre-purchase and post-purchase (after the meal consumption) satisfaction on intention. The findings revealed that the influence of satisfaction was stronger in the post-purchase survey. Satisfaction is important shortly after consumption while customers are feeling the afterglow of their dining experience. Thus, we anticipate that variables that influence customer satisfaction are customers' confirmation (disconfirmation) of expectations compared with actual performance or service level encountered. We also hypothesize that satisfaction will have a significant influence on intention to return.

Oliver (1993) developed a model relating satisfaction to cognitions, emotions, and product's attributes. The model posited that satisfaction depends on positive as well as negative emotions, satisfaction on various attributes (performance dimensions), and disconfirmation (expectations). The estimated model revealed that the largest coefficients were for the emotion of enjoyment and disconfirmation.

**Performance Dimensions/Attributes of a Restaurant**

Common wisdom indicates that fine food served with flair or good service in an elegant ambiance determines the outcome of a fine dining experience. Sulek and Hensley (2004) investigated the influence of several attributes of a restaurant on customer satisfaction. Their research focused on seating order, wait time, staff politeness, dining atmosphere, server attentiveness, food quality, and presentation, amongst others. Of these variables, only three were statistically significant: food quality, dining atmosphere, and seating-order fairness.

**Intention to Visit**

Kivela et al. (2000) tested several propositions related to dining satisfaction and return patronage. The specific areas investigated were: influence of satisfaction on return visit, variation in satisfaction by demographic characteristics, and difference in intention to return to that restaurant based on prior frequency of visit. Several
significant findings emerged from their study. The variables having significant impact on intentions were: first and last impressions (composite factor), service excellence, food excellence, ambiance excellence, reservation, and parking, followed by occupation and dining frequency. The composite factor first and last impression was measured by dining privacy, restaurant's appearance, temperature, and consistent standard. While it may be argued that a restaurant's appearance would probably be a better indicator of ambiance, the factor analysis results indicated that ambiance was measured by level of comfort, noise in the restaurant, and view from the restaurant.

**METHODOLOGY**

**Models To Be Tested**

We develop and test two models of emotions, satisfaction, disconfirmation, etc., related to restaurant patronage. The first model is a representation of the model tested by Oliver (1993). This model posits that performance, expectations (disconfirmation), and emotions influence satisfaction. This is a basic model with limited number of variables and the goal of modeling satisfaction responses. This model is shown in Figure 1. We also develop a more comprehensive model that shows the role of emotions in influencing satisfaction and post-consumption attitudes and intentions. This model is based on the review of literature and collective findings cited earlier. The conceptual model is shown in Figure 2.

**Questionnaire**

The scale used to measure emotions in this research is DES-II (Izard, 1970). Other scales have been used in earlier studies for example, PAD (Pleasure, Arousal, and Dominance) by Mehrabian and Russell (1974), and PANAS and CIRCUMPLEX (Mano & Oliver, 1993). The DES-II is widely used. Moreover, Oliver (1993) also used DES-II in his study. As this research replicates and extends Oliver's findings, it was desirable to use DES-II scale. This scale comprises of 10 sub-scales corresponding to 10 discrete emotions (joy, interest, anger, disgust, etc.).

Oliver (1993) developed a model relating satisfaction to its antecedents. The emotions were measured using DES - II scale. However, surprise was not used by Oliver because of its dual direction. Surprise may have a favorable or unfavorable impact depending on whether the surprise was pleasant or unpleasant. The DES - II scale was used to measure the select group of emotions in this study. The following emotions were measured: interest, joy, anger, disgust, fear, shame/shyness, and guilt. Based on Oliver's (1993) reasoning, surprise was not included in this study as well.

Other major constructs investigated in this paper included two measures of attitude: a pre-visit attitude (attitude toward dining at the restaurant before they visited the restaurant) and a post-visit attitude (after experiencing the recent visit). Each of these attitudes was measured using a three item, nine point scale with end points as good (poor) idea, worthwhile (worthless), and pleasant (unpleasant). Respondents were also asked to indicate their satisfaction and the importance attached to each of the following variables of the restaurant – atmosphere/ambiance, service, food quality, choice of table, and location of the restaurant. These variables will be referred to as the attributes of the restaurant.

Overall satisfaction with the dining experience and the intention to visit the restaurant again were measured, each on a nine point Semantic Differential scale. The end points of satisfaction item were very satisfied and very dissatisfied. The end points for intention to visit the restaurant were very likely and very unlikely. A bipolar disconfirmation statement was used to measure the dining experience compared to
expectations. The end points for the disconfirmation statement were "better than expected" and "worse than expected."

Sample and Data Collection

Respondents were selected from a large Midwestern metropolitan area. The metropolitan area has a significant number of fine dining establishments. Judgmental sampling was used in selecting respondents for the study. This method was helpful in selecting individuals who had visited a fine dining restaurant within the last month. For the purpose of this study a fine dining restaurant may have the following characteristics: where one “goes out” for dining, a destination restaurant, recommends

Figure 1 - Basic Model of Restaurant Based on Oliver

![Figure 1 - Basic Model of Restaurant Based on Oliver](image)

Figure 2 - Conceptual Model of Restaurant Patronage

![Figure 2 - Conceptual Model of Restaurant Patronage](image)
median price range, and the staff is attentive to the customer's dining experience. A total of 148 residents who had been to a fine dining restaurant in the last month agreed to participate in the survey.

Approximately 17 percent of the respondents indicated that they visit a fine dining restaurant once in three months, almost 14 percent stated that they visit a fine dining restaurant every two months, 30 percent indicated they visit a fine dining restaurant once a month, and 35 percent stated that they visit a fine dining restaurant more than once a month.

Respondents were almost equally distributed in terms of gender, with a slightly higher percentage of male respondents (54%). Less than seven percent of the respondents had only a high school education. Thirty-one percent were college graduates and 36 percent had postgraduate education. Approximately 40 percent of the respondents were below the age of 34. Forty-four percent were between 35 to 49 years of age. The remaining 16 percent were 50 years of age and older.

RESULTS

Before proceeding with the full analyses, it is necessary to assess the reliabilities of the major emotion constructs used in the study. The major constructs, their measures, their mean values, and their reliabilities are shown in Table 1. The scale ranged from zero to five. The reliabilities levels of all items are satisfactory. It is evident that the respondents experienced significantly greater levels of positive emotions. The negative emotions were at near zero levels, indicating that these emotions were weak and not experience by a significant number of customers. For example, consider the emotion disgust: 87 percent of the respondents indicated that they did not experience this emotion at all, five percent stated they felt disgusted very slightly, another five percent stating they felt the emotion a little, and only three percent stating they felt it moderately. Interest and enjoyment appeared to be strong emotions aroused during the fine dining experience and are investigated in the causal model.

Next, the models in Figure 1 are estimated using LISREL 8.7. The model results in a chi-square value of 15.53 with 1 degree of freedom, a p-value of .0001, and root mean square residual of .07. The goodness of fit index is .95. Comparing this with an independence model, (indicating no relationship amongst variables), chi-square for independence model with 6 degrees of freedom is 393.91, indicating the significance of the model.

The path leading from overall performance to disconfirmation has a coefficient of .66, with a t-value of .44. The R-squared for this subsection of the model is .44. Similarly, the path leading from disconfirmation to satisfaction shows a coefficient of .42 with a t-value of 7.97; from enjoyment to satisfaction, the coefficient is .10 with a t-value of 2.13; and from overall performance to satisfaction, the coefficient is .48, t-value of 8.83. The R-squared with satisfaction as the dependent variable is .76.

The extended conceptual model is shown in Figure 2. This model is also estimated using LISREL 8.7. The initial estimates revealed that the emotion interest was not significant. In the interest of parsimony, the model is re-estimated without interest. The revised model resulted in a chi-square of 8.56 with 4 degrees of freedom, a p-value of .073, and root mean squared residual of .022. The goodness of fit index is .98. For comparison with an independence model, the chi-square for independence model with 15 degrees of freedom equals 839.37. The difference in the chi-square values of the two models is 830.81 with 11 degrees of freedom is statistically significant, indicating the significance of the estimated model. The path coefficients are all shown in figure 3.

The coefficients of the paths leading to
Table 1 - Table 1 – Descriptive Statistics for Measures

<table>
<thead>
<tr>
<th>Construct</th>
<th>Measures</th>
<th>Mean</th>
<th>Reliability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest</td>
<td>Attentive, concentrating and alert</td>
<td>2.75</td>
<td>.82</td>
</tr>
<tr>
<td>Joy</td>
<td>Delighted, happy and joyful</td>
<td>3.12</td>
<td>.80</td>
</tr>
<tr>
<td>Fear</td>
<td>Afraid, fearful and scared</td>
<td>.12</td>
<td>.72</td>
</tr>
<tr>
<td>Shy</td>
<td>Shy, bashful and sleepy</td>
<td>.23</td>
<td>.77</td>
</tr>
<tr>
<td>Disgust</td>
<td>Disgusted, revulsion and distaste</td>
<td>.17</td>
<td>.72</td>
</tr>
</tbody>
</table>

enjoyment are .30 (prior attitude) with a t-value of 3.96 and .35 for overall performance with a t-value of 4.64 and an r-squared value of .31. The equation for satisfaction as a dependent variable has an r-squared value of .68. The coefficients for enjoyment, prior attitude, and overall performance are .17, .13, and .66, respectively. The corresponding t-values of these coefficients are 3.09, 2.46, and 12.10.

The t-values for the path coefficients leading to post-consumption attitudes are .36 (satisfaction), .29 (prior attitudes), and .32 (overall performance). The corresponding t-values are 5.11, 6.11, and 4.93. The r-squared value is .74. For the equation with intention (to visit) as the dependent variable, the t-values for the coefficients are 4.30 (prior attitude) and 9.81 (overall performance). The r-squared value is .47.

DISCUSSION

Every restaurant manager and small business owner knows that the key to survival and evolving viability of their business depends on customer satisfaction and repeat business. This is especially true where attitudes and satisfaction are influenced by consumption experience. The findings of this study can help marketers gain greater leverage from appreciating the role that managing customer expectations (experience) and emotions play in the fine dining experience.

Marketing literature has shown that performance has a direct impact on satisfaction. Oliver (1993) postulated and showed that satisfaction is influenced directly by performance and indirectly through disconfirmation. This is important in that for a restaurant business, it is not only essential to provide superior performance (customer service, food quality, etc), it is also important to manage the expectations of the customers. According to Figure 1, overall performance has a direct influence of .48 (standardized coefficient), and also an indirect (through disconfirmation) influence of .28 (.66*.42).

In addition, Oliver also postulated and showed performance has an indirect impact on satisfaction through emotions. For the restaurant model, performance has a large impact (.49) on enjoyment. Restaurant owners try to create an atmosphere where customers have an enjoyable “evening out” and are not just eating out. Enjoyment, in turn, influences satisfaction. Thus, the total influence of overall performance on satisfaction is .81. This impact is large and significant statistically, as well as managerially. The incorporation of emotions and disconfirmation to the performance dimensions not only helps our understanding of the consumption dining experience but, also, helps in formulating an effective marketing strategy to influence satisfaction.

Performance, attitudes and emotions

The final extended model (Figure 3) includes additional variables that should help in formulating a superior marketing strategy. The path estimates reveal that, consistent with the earlier model, overall performance has a large and significant impact on satisfaction. Satisfaction, in turn, is known to influence post-consumption attitudes. The coefficient is relatively large and significant (.36). The development of post-consumption
attitudes is important because customers (new as well as repeat) generally visit a restaurant with prior attitudes (Figure 3) or with prior expectations (disconfirmation in Figure 1). A favorable post-consumption attitude is found to have a direct impact on future intentions (.46). The goal of every restaurant owner/manager is to increase the likelihood that the customers will visit again. The findings in this study show that while future intention is influenced directly by overall performance and post-consumption attitudes, post-consumption attitudes have a much greater impact. Intentions are also indirectly influenced by satisfaction, prior attitudes, and emotions during the consumption experience. Marketing literature indicates that although customers may expect certain levels of service and enjoyment during their dining experience, they may be willing to overlook some deficiencies in service level. This study focuses on aspects designed to enhance their dining experience and finds that satisfaction is experientially determined by the impact of overall performance on their overall dining experience.

Restaurant owner/managers need to influence attitudes and intentions by impressing their guests by bringing drama to the table, the enjoyment from playing up flavor, style, and presentation awakening consumer enjoyment and satisfaction. Carbone (2004) stresses that restaurant managers may want to incorporate consumption experience as a value proposition in their planning and delivery efforts. Writing on the history of Starbucks, Carbone describes how a 3-cent cup of a commodity (coffee) is converted into a $2 emotionally vested consumption experience. Moreover, this factor is not confined to high-end restaurants; other restaurants managers can also benefit by providing a delightful experience within their business category. Marketing strategy that recognizes and monitors emotional as well as performance dimensions is critical to developing favorable post-consumption attitudes and intentions to visit.

Restaurant managers are advised to amaze their patrons by exceeding their expectations with an enjoyable experience that fully excites and delights their senses. This may

Figure 3 – Path Estimates of Extended Model

<table>
<thead>
<tr>
<th>Enjoyment</th>
<th>Satisfaction</th>
<th>Post-Consumption Attitude</th>
<th>Intention</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prior Attitude</td>
<td>.13</td>
<td>.29</td>
<td>.46</td>
</tr>
<tr>
<td>Overall Performance</td>
<td>.17</td>
<td>.34</td>
<td>.32</td>
</tr>
<tr>
<td></td>
<td>.30</td>
<td></td>
<td>.36</td>
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This may include “tasting menu” and attention to tailoring the presentation of each plate to suit a particular guest, providing entertaining variations to affect post-consumption attitudes.

REFERENCES


**Raj Arora** is the Schutte Professor of Marketing in the Bloch School of Business at the University of Missouri – Kansas City. His research interests are in marketing, consumer behavior, and entrepreneurship.

**Joe Singer** is a Professor of Business Operations and Analysis at in the Bloch School of Business at the University of Missouri – Kansas City. His research interests are operations management and business analysis.