Chapter 4

4. RESEARCH GAPS AND OBJECTIVES

The following gaps are identified with a thorough review of the marketing literature on customer perceived value satisfaction and loyalty. The research objectives that follow are delimited by the boundaries of the existing constructs; however, new linkages between them are being examined.

4.1. RESEARCH GAPS

3.1.1. Gap 1

Literature on customer loyalty depicts loyalty to be a four stage process starting from a customer being cognitive, affective, conative and finally behavioral loyal (Oliver, 1999; Dick and Basu, 1994). Researchers have tried to identify the link between customer perceived value and customer satisfaction in services to behavioral loyalty, however the attitudinal aspect of loyalty is quite neglected (Day, 1969; Backman, 1988, Back and Parks, 2003). In addition, there has been no attempt made till date to illustrate an integrated framework which captures multidimensional value, customer satisfaction and the attitudinal and behavioral components of loyalty. Gallarza and Saura (2006) adopted Holbrook’s (1999) value typology, combined it with the negative aspects of value following the traditional definition of tradeoff by Zeithaml (1988) and explored the relations between consumer perceptual constructs such as perceived value, satisfaction and loyalty. Gounaris et al. (2007) conceptualized customer to be product value, procedural value, personnel value, emotional value, social value and perceived sacrifice and empirically examined the role of the same in influencing customer satisfaction, loyalty and behavioral intentions by proposing a model similar to Gallarza and Saura (2006). Molina and Saura (2008) tried to examine the differential influence of the components of perceived value on customer attitude and
on customer loyalty across retail stores. However in none of these studies the three stage of attitudinal loyalty has been examined with relation to the value dimensions and incorporating customer satisfaction and behavioral loyalty in the overall process.

4.1.2. Gap 2

Value and loyalty research is scarce with regard to fast food services. The related studies that exist has either identified consumption trends (Ali Kara, Erdener Kaynak and Orsay Kucukemiroglu, 1997; Adams, 2005, Brown et al. 2000) or identified consumers’ perceptions of and preferences for fast food restaurants and the reasons for the same (Davies and Smith, 2004; Kara et al., 1995; Saavedra,1983). In context of emerging economies, Liu and Chen (2000) developed a product market structure of the fast food restaurants in the Philippines. In Indian context, Goyal and Singh (2007) identified the various factors affecting the choice of fast food outlets by Indian young consumers. However, neither these studies objectively analysed multidimensional service value nor did they identify the impact of value on customer satisfaction and loyalty.

4.1.3. Gap 3

Customer perceived value has evolved from being a unidimensional construct to a multidimensional one in products and subsequently in services parlance. Several marketing researchers (Andreassen and Lindestad, 1998; Ball et al., 2004; Eggert and Ulaga, 2002) have pointed out the impact of unidimensional value on customer satisfaction indeed, however authors such as Wang et al. (2004), Liang and Wang (2004), and Spiteri and Dion (2004) believed that the literature is scarce in terms of investigating the impact of multidimensional value on
customer satisfaction. The few studies that made an attempt to plug this gap are those of Wang et al. (2004) who developed an integrated model through structural equation modeling technique to explore the decomposed effect of the customer perceived value dimensions on customer relationship management performance in terms of relationship quality and customer behaviors. In doing so the authors adopted the PERVAL framework as suggested by Sweeney and Soutar (2001). Gallarza and Saura (2006) adopted Holbrook’s (1999) value framework to examine the impact of the value dimensions on satisfaction, however the author complemented the Holbrook’s value dimensions with perceived monetary price, perceived risk, time and effort spent. Roig et al. (2009) examined the relationships between multidimensional service value and satisfaction. The authors adopted the GLOVAL scale, empirically validated by Moliner et al. (2005) and Sánchez et al. (2006). However, Molina and Saura (2008) highlighted the dearth of empirical investigations in this area and pointed out that the dimensions of value that are considered varied across context and there is a need of establishing a generalized scale and examining the effect of those value dimensions on satisfaction.

4.1.4. Gap 4

Indeed customer perceived value has been highly accepted as a major determining factor for both marketing strategy and consumer behavior. This is evident from the theoretical and empirical studies outlined in the preceding literature review sections (Percy et al., 2010, Wang et al., 2004, Ravald and Gronroos, 1996; Heskett et al. 1994, Porter, 1985, Slater, 1997). However Sánchez-Fernández et al., (2009) believed that no overall general consensus about the construct has been arrived particularly in services. Marketing literature indicates that traditionally uni-dimensional value construct has evolved to become multi dimensional in nature conceptually. Empirical
works also exist in terms of scale development attempts to measure perceived value. The popular scales include the consumption values (Seth et al. 1991) with dimensions of functional value, conditional value, social value, emotional value, epistemic value and the PERVAL (Sweeney and Soutar, 2001) which identified the dimensions like quality, price, emotional value, social value in the context of products. In services parlance the SERV-PERVAL (Petrick, 2002) with dimensions of quality, perceived monetary price, emotional response, behavioral price and reputation and the GLOVAL (Sanchez et al. 2006) with dimensions functional value of the travel agency: installations, functional value of the contact personnel of the travel agency: professionalism, functional value of the tourism package purchased: quality, functional value: price, emotional value and social value deserves special mention. Several other researchers adapted these scales for their context of study; however they were encountered with different sets or subsets of service value dimensions. Holbrook (1994) opined that most of these scales suffered lack of generalization across contexts and postulated a typology which was later empirically examined by Sánchez-Fernández et al. (2009), and is believed to be the most recent addition and a generalisable service value scale development attempts so far, although it has not been examined for its reliability and validity across contexts.

4.2. OBJECTIVES OF THE STUDY

To address the gaps identified in the preceding section, the following objectives of the thesis are formulated respectively.

1. To develop a model that integrates the effect of multidimensional value on the different stages of attitudinal loyalty, behavioral loyalty and word of mouth, and to confirm the satisfaction loyalty cascade.
2. To empirically examine the proposed conceptual model in the context of fast food services in India.

3. To empirically examine the relationships between the dimensions of service value and customer satisfaction in the context of fast food industry in India.

4. To validate Holbrook (1999)’s value scale as conceptualized and empirically examined by Sánchez-Fernández et al., (2009) in the context of fast food services in India.