

## **THE RELATIONSHIP AMONG SOCIAL ENVIRONMENT, PERCEIVED VALUE, CUSTOMER SATISFACTION AND REPURCHASE INTENTION IN ICE CREAM FRANCHISE**

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### **Abstract**

Customers are a significant component of business activities. Customer repurchase is good news for business and customer satisfaction is an important factor that affects repurchase. This research aimed to explore the relationship among social environment, perceived value, customer satisfaction and repurchase intention in ice cream franchise. The primary data used in the study was collected through the use of a questionnaire as a tool. Data was collected in Bangkok, Thailand and the sample size of this paper is 400. The Structure Equation Modeling (SEM) is used to examine the hypothesis, and the structure relationship among social environment, perceived value, customer satisfaction and repurchase intention was analyzed using the AMOS program. The finding presents that social environment is positively related to customer satisfaction and repurchase intention. Perceived value affects customer satisfaction and repurchase intention. Also, there is positive relationship between customer satisfaction and repurchase intention. Therefore, customer perceived value is more significantly related to customer satisfaction and repurchase intention. The result of this research provides information to ice cream franchise, suggesting that cafe format ice cream franchise can improve social environment, provide good service and product to meet customer satisfaction and attract customer repurchase.

**Keywords** - ice cream franchise, social environment, perceived value, customer satisfaction, repurchase intention.



## Introduction

Thailand's franchise industry is in a good place and has been showing an upward trend. In 2013 there were 370 franchised brands and franchising opportunities has become more and more widely available in Thai industries. Similar to most countries, Thailand's food and beverage sector is the main franchise area (Thailand franchise, 2014). Ice cream franchises make up 22% of food and beverage sector (Franchise directory, 2015). These ice cream franchises share the ice cream market and are in competition with each other. Improving customer satisfaction level and attracting customer repurchase is the challenge for ice cream franchise. This research will focus on ice cream franchise that are run in a cafe format, to study how service and environment affect customer experience and contribute to repurchase, as well as to understand the relationship between customer satisfaction and repurchase intention in ice cream franchise business. This research focuses on ice cream franchise run in a cafe format and the brand of ice cream franchise selected in research are those that are more popular and most people would be familiar with them. In Bangkok, there are 6 brands of ice cream franchises run in the cafe format and are generally known by most customers, which are Swensen's, Baskin Robbins, Cold Stone, Häagen-Dazs, Ice Monster and Bud's.

Three objective of this research are to explore the relationship among social environment, customer satisfaction and repurchase intention in ice cream franchise, to explore the relationship

among perceived value, customer satisfaction and repurchase intention in ice cream franchise, to explore the relationship between customer satisfaction and repurchase intention. This research will help the researcher accumulate relevant marketing knowledge, and provide the franchise industry with information about the relationship among social environment, perceived value, customer satisfaction and repurchase intention.

## Literature review and hypotheses

### Social environment, customer satisfaction and repurchase intention

Social environment is the elements in service environment (Baker et al., 1994; Sherman et al., 1997). Social environment includes service employees and customer climate (Lin & Ling, 2011). Satisfaction is the positive result of one party's overall assessment of another party (Anderson & Narus, 1984). Repurchase intention is a special type of purchase intention that reflects whether a customer would buy the same product or brand again (Blackwell et al., 2001). Service employees' expression of positive emotions helps create positive emotion in customer experience (Tsai & Huang, 2002). In the service site, customers influence each others' emotion. Positive emotion encourages positive experience, while negative emotion encourages negative feelings, emotion and behavior among customers and affects the overall service experience (Brocato & Kleiser, 2005;



Huang, 2008; Moore et al., 2005). Lin and Liang's (2011) research shows that social environment is positively related to satisfaction and even affects customer behavior intention. Social environment is considered to be the distinguishing factor between the soft and hard aspects of service delivery (Lemmink & Mattsson, 1998). Social influence arises through the personal interaction between the customer and the service employee, thus it is recognized that during service time, the social aspect of the interaction between customers and service employees can be critical (Butcher et al., 2002). The abovementioned social influence is the same concept as the concept of service environment used in this paper. The research done by Butcher et al. (2002) proposed that social influence affects repurchase intention and the result supports the hypothesis that there is a significant and positive relationship between social influence and repurchase intention. According to literature review, the hypotheses in this research are as follows:

H1: Social environment affects customer satisfaction.

H3: Social environment affects repurchase intention.

### **Perceived value, customer satisfaction and repurchase intention**

Many previous studies have shown that perceived value is determined by the benefit-cost concept. The benefit can be economical, social or relational. Cost takes into consideration price, time, effort, risk and convenience (Grewal et

al., 1998; Cronin et al., 2000; Bigné et al., 2001; Oh, 2003). Also, many previous research has shown that brand image has significant influence on customer perceived value (Andreassen & Lindestad, 1998; Bloemer & De Ruyter, 1998; Cretu & Brodie, 2007; Lai et al., 2009; Ryu et al., 2008). Customer satisfaction is usually defined as the degree to which customers' expectations can be met by a product or service (Peter et al., 1999). Macintosh and Lockshin (1997) explain that repurchase intention is the degree of loyalty towards a brand or a specialty store. In marketing, the relationship between perceived value and customer satisfaction has been widely discussed. Perceived value has a direct relationship with customer satisfaction, and this is something that has commonly been accepted (Hume, 2008). Previous study presents the result that customer satisfaction depends on value, and perceived value is an important factor that determines customer satisfaction (Ravald & Gronroos, 1996; McDougall & Levesque's, 2000). Previous studies examined the role of customer perceived value in trying to explain customer behavior in the service industry context and found that customer perceived value positively and directly influences customer satisfaction (Patterson & Spreng, 1997; Andreassen & Lindestad, 1998). Chiou's (2004) study points out that customer perceived value is a significant driver of customer satisfaction toward internet service providers. Researchers Ryu et al. (2012) present the result that customer perceived value is indeed a significant factor that has a positive effect on customer satisfaction and that customer satisfaction is also a significant predictor



of customer behavior intention. In addition, customer perceived value is a reliable predictor of customer satisfaction and consumer purchase behavioral, which has also been proven by many research ( McDougall & Levesque, 2000; Ryu et al., 2008; 2010). Perceived value was shown to influence customer behavioral intentions and it is the most important indicator of repurchase intention. An increase in perceived value during a purchase will contribute to customer repurchase in the future (Hume, 2008; Liu & Jang, 2009). Har Lee et al.'s (2011) research presents that there is a linear relationship at significant level between repurchase and perceived value. Based on the literature review, the hypotheses in this research are as follows:

H2: Perceived value affects customer satisfaction.

H4: Perceived value affects repurchase intention.

### **Customer satisfaction and repurchase intention**

Customer satisfaction refers to customers' overall evaluation of a company's performance or service

provided (Turkyilmaz & Ozkan, 2007). Repurchase intention is a psychological process of thinking about purchasing a certain product and so it is closely related to actual behavior (Meng & Xu, 2010). Previous studies have pointed out that increasing customer satisfaction can have a positive effect on customers' repurchase behavior and even customers' intention to purchase other products (Cardozo, 1965; Chang et al., 2014). Research has identified that there is a positive relationship between customer satisfaction and future purchase intention ( Oliver,1980; Bearden & Teel, 1983; Chen, 2007) . Ryu et al. ( 2012) and Fang et al.'s ( 2011) study shows that customer satisfaction is a significant predictor of customer behavior intention. Numerous previous research have also shown that customer satisfaction has a positive and direct effect on customer behavior intention, such as repurchase intention and word-of-mouth communication (Han & Ryu, 2009; Kim and Kim, 2009; Namkung & Jang, 2007; Ryu et al. , 2010; Ryu & Han, 2011) . And the hypothesis in this research is as follows:

H5: Customer satisfaction affects repurchase intention.

## Conceptual framework of research

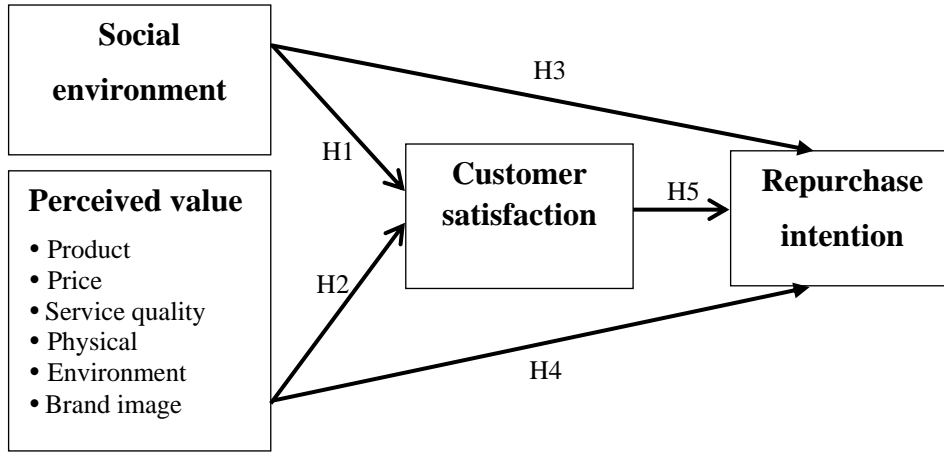


Figure 1 Conceptual framework

## Methodology

### Population and Sample

The researcher collected data from customers who had consumption experience in ice cream franchise stores, focusing on customers age 15-60. The population of age 15-60 in Bangkok is estimated to be 5.03 million (Population by age group, area and sex, Bangkok, 2015). The sample size for this research, calculated according to formula by Yamane (1967), is as follows:

$$n = \frac{N}{1+N(e)^2}$$

Where e = Deviation of random sampling, N = Number of population, n = Sampling size

Set sampling deviation is 0.05 therefore:

$$n = \frac{5,300,000}{1+5,300,000(0.05)^2} = 399.97 \approx 400$$

### Research instrument

The questionnaire consists of 5 sections. Section 1 covers personal information, including age, gender, status, income, occupation and education level (Arnould et al., 2002). Section 2 surveys opinions on social environment and all 8 items were adapted from Tsai and Huang (2002), Brady and Cronin, (2001). Section 3 measures perceived value with five aspects: product, price, service quality, physical environment and brand image, using questions applied from Yu (2012), Thathong (2007), Koo (2003), Lin and Liang (2011), Sasmita and Suki, (2015). The questions in section 4 are designed to measure customer satisfaction using items applied from Kang et al., (2007), Greenwell et al., (2002). Section 5 surveys repurchase intention with 5 items design applied from Cronin et al., (2000), Zboja and Voorhees, (2006).



## Data collection

Data for this research was collected from Thai people who had consumption experience at ice cream franchises that uses Thai language. Based on previous studies, Bangkok is separated into six zones, and six shopping malls were randomly chosen by randomly selecting one from each zone. A total of 443 questionnaires were collected from six shopping malls. 17 questionnaires were invalid could not be used for analysis, so the actual number of questionnaires used for data analysis is 426.

## Data analysis

The collected data went through descriptive statistics analysis, level of agreement analysis, Confirmatory Factor Analysis (CFA) and Structural Equation Modeling (SEM). Descriptive statistics analysis and level of agreement analysis were executed by SPSS program, Confirmatory Factor Analysis (CFA) and Structural Equation Modeling (SEM) were executed by AMOS program.

## Results

The analysis result of demographic characteristic presented that of the total 426 respondents, 38.3% were male and

61.7% were female. For the age group, those aged 25-34 years made up 46.2% of the total respondents as the biggest group. For education level, 67.1% graduated with a bachelor degree. More than half of the respondents were company staff and students also formed a big proportion of the respondents. In terms of monthly income, more than 80% of respondents had a monthly income and 20.8% of respondents are considered to have a high monthly income, which is income higher than 30,000 Baht. For the brand of ice cream franchise that respondents visited most often, 79.5% chose Swensen's, making it the brand that majority of respondents visited most often.

Cronbach's alpha has been used to test the reliability of the research instruments. Cronbach's alpha is the most commonly used tool for test of reliability. Cronbach's alpha ranges from 0 to 1.00 and the higher the value the better it is. A high value means high consistency and high variance. High variance means there is a wide spread of score and easier to differentiate. Fornell and Larcker (1981) suggest that the value of Cronbach's alpha should be greater than 0.7 to be considered acceptable. The result shows in Table 1 that all of the variables have scores higher than 0.7 and some score even higher than 0.9, means there is high reliability in the research questionnaire.



**Table 1** Reliability test using Cronbach’s alpha

Variables	Numbers of items	Cronbach’s alpha
Social employee (Se)	5	0.910
Customer climate (Cc)	3	0.831
Physical environment (Pe)	6	0.877
Product (Pro)	3	0.874
Price (Pri)	3	0.854
Brand image (Bi)	4	0.843
Service quality (Sq)	4	0.922
Customer satisfaction (Cs)	7	0.900
Repurchase intention (Ri)	5	0.916

This paper uses Exploratory Factor Analysis (EFA) to test the validity of the questionnaire. First, Kaiser-Meyer-Olkin (KMO) is used to measure the sampling adequacy, and Bartlett’s Test of Sphericity is used to determine whether the sample is appropriate for variable analysis (Andersen & Herbertsson, 2003). The KMO index ranges from 0 to 1.00 and the minimum accepted value is 0.5 (Kaiser, 1974; Hair et al., 1995; Tabachnick & Fidell, 2007), and Bartlett’s Test of Sphericity should be of significant level ( $p < 0.05$ ) to be

considered suitable for factor analysis (Hair et al., 1995; Tabachnick & Fidell, 2007). Total Variance Explained shows the percentage of variables explained by all the factors (Zikmund et al., 2013). According to Hair et al. (1995) TVE value as low as 50%-60% and the TVE scores exceed the minimum value the factor considered meaningful. Validity analysis result of this research is shown in Table 2 and Table 3, the results support the good validity of the research instrument

**Table 2** KMO and Bartlett’s test

<b>Kaiser-Meyer-Olkin Measure of Sampling Adequacy</b>		<b>.953</b>
Bartlett’s Test of Sphericity	Approx. Chi-Square	12345.412
	df	780
	Sig.	.000

**Table 3** Total variance explained

component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of variance	Cumulative %	Total	% of variance	Cumulative %	Total	% of variance	Cumulative %
<b>1</b>	16.640	41.601	41.601	16.640	41.601	41.601	4.105	10.263	10.263
<b>2</b>	2.738	6.844	48.445	2.738	6.844	48.445	3.969	9.923	20.186
<b>3</b>	1.993	4.982	53.427	1.993	4.982	53.427	3.958	9.896	30.082
<b>4</b>	1.860	4.651	58.078	1.860	4.651	58.078	3.823	9.556	39.638
<b>5</b>	1.400	3.500	61.578	1.400	3.500	61.578	3.148	7.870	47.509
<b>6</b>	1.266	3.164	64.742	1.266	3.164	64.742	3.012	7.530	55.039
<b>7</b>	1.134	2.834	67.577	1.134	2.834	67.577	2.428	6.071	61.109
<b>8</b>	1.116	2.790	70.367	1.116	2.790	70.367	2.418	6.045	67.154
<b>9</b>	1.005	2.513	72.880	1.005	2.513	72.880	2.290	5.726	72.880

Structural Equation Modeling (SEM) is a complex technique analytical tool used in quantitative analysis research to examine the hypothesis. In this research, the structure relationship among social environment, perceived value, customer satisfaction and repurchase intention was analysed by AMOS program. Before assessing the structural model, the measurement model must be first evaluated. Confirmatory factor analysis (CFA) is one form of structure equation modeling. Based on the knowledge or theory research postulates construct, CFA allows the researcher to test the

proposed theory or hypothesis of whether there is a relationship between the observed variables under the construct. CFA analysis relies on several statistical tests to determine whether the construct fits the data. Usually, chi-square/ degree of freedom ( $\chi^2/df$ ), goodness of fit index (GFI), Adjusted Goodness of Fit Index (AGFI), Tucker Lewis Index (TLI), Incremental Fit Index (IFI), Comparative Fit Index (CFI) and Root Mean Square Error of Approximation (RMSEA) above parameter values are used to test the model.



**Table 4** Definition of index

Model-Fit index	Recommended Acceptable level	Reference
$\chi^2/df$	$\chi^2/df < 3$ indicates an adequate fit	Gatignon, (2003)
<b>GFI</b>	Ranges between 0 to 1 GFI >0.8 acceptable, GFI >0.9 good fit	Baumgartner and Hombur, (1996)
<b>AGFI</b>	Ranges between 0 to 1 GFI >0.8 acceptable, AGFI $\geq 0.9$ good fit	Baumgartner and Hombur, (1996)
<b>TLI</b>	Ranges between 0 to 1 TLI $\geq 0.9$ is accept value.	Hu and Bentler, (1999)
<b>IFI</b>	Ranges between 0 to 1 IFI $\geq 0.9$ is accept value.	Bentler, (1990)
<b>CFI</b>	Ranges between 0 to 1 CFI $\geq 0.9$ is accept value.	Hu and Bentler, (1999)
<b>RMSEA</b>	The bounded of RMSEA is below by 0 RMSEA < 0.05 represent excellent fit. RMSEA $\leq 0.08$ as a cut off criterion.	Hu and Bentler, (1999) Browne and Cudeck, (1993) McDonald and Ho, (2002)

In order to know the relationship among social environment, perceived value, customer satisfaction and repurchase intention, the researcher tested the

hypothesis. The model fit test result is shown in Table 5 and the hypothesis testing execution is presented in Figure 2.

**Table 5** Fit test of model

$\chi^2/df$	<b>GFI</b>	<b>AGFI</b>	<b>TLI</b>	<b>IFI</b>	<b>CFI</b>	<b>RMSEA</b>
1.840	0.864	0.846	0.945	0.949	0.949	0.044

Based on the result presented in Table 5,  $\chi^2/df = 1.840$  (less than 3) indicates an adequate fit, GFI= 0.864, AGFI= 0.846 (higher than acceptable value 0.8), TLI=0.945 (higher than 0.9), IFI=0.949 (higher than 0.9), CFI = 0.949 (higher

than 0.9) and RMSEA=0.044 (less than 0.05). All the indicators' values meet the acceptable value and some meet the perfect value, which proves good fit of model.

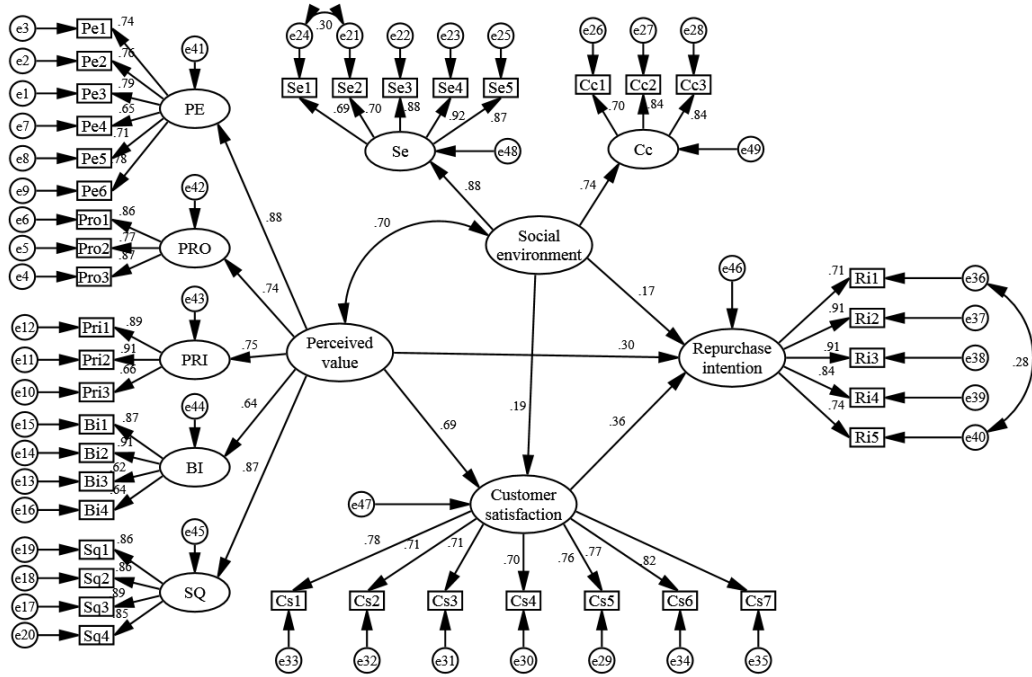


Figure 2 Structural equation modeling testing hypothesis

Table 6 Result of hypothesis testing

Hypothesized Path		STD (β)	Un.STD	S.E.	C.R. (t-value)	P	SMC (R-Square)
Customer satisfaction	<--- Social environment	0.189	0.197	0.068	2.875	0.004	0.698
Customer satisfaction	<--- Perceived value	0.692	0.841	0.092	9.141	***	
Repurchase intention	<--- Social environment	0.167	0.164	0.068	2.417	0.016	0.577
Repurchase intention	<--- Perceived value	0.296	0.340	0.104	3.262	0.001	
Repurchase intention	<--- Customer satisfaction	0.364	0.344	0.080	4.291	***	

Note: \*\*\* ( $P < 0.001$ ) Standardized Estimate (STD); Unstandardized Estimate (Un.STD); Standardized Error (S.E), Critical Ratio (C.R.T-value), Significance Difference (P value), Squared Multiple Correlations (SMC)

In Table 6, perceived value and social environment are shown to be positively related to customer satisfaction. The R Square value is 0.698, which means that

customer satisfaction can be adequately explained at 69.8% by perceived value and social environment. Meanwhile, perceived value, social environment and



customer satisfaction have significant positive effect on repurchase intention. Perceived value, social environment and customer satisfaction can explain repurchase intention up to 57.7% . In other words, the analysis results were supportive of the hypotheses in the research.

## Conclusion, discussion and recommendation

### Conclusion

Before execution of hypothesis testing evaluation of the model should come first, and the model estimated result shows that  $\chi^2/df = 1.840$  is less than 3, which indicates an adequate fit. RMSEA=0.044 which is less than 0.05 means excellent fit. GFI= 0.864, AGFI= 0.846 which is higher than acceptable value 0.8. The three indicators TLI= 0.945, IFI= 0.949, CFI = 0.949 were higher than 0.9 which means it is a good fit. All the indicators presented that the model was a good fit for hypothesis testing. According to the hypothesis results shown in Table 6, all the hypotheses in this research have been accepted. Social environment significant affects customer satisfaction ( $P < 0.05$ ). Perceived value significant affects customer satisfaction ( $P < 0.001$ ). Social environment significant affects repurchase intention ( $P < 0.05$ ). Perceived value significant affects repurchase intention ( $P < 0.05$ ). Customer satisfaction significant affects repurchase intention ( $P < 0.001$ ). The result shows there is positive relationship among social environment, customer satisfaction and repurchase intention in ice cream franchise.

Perceived value is positively related to customer satisfaction and repurchase intention in ice cream franchise. Also, there was a positive relationship between customer satisfaction and repurchase intention in ice cream franchise.

## Discussion

### Research model

According to the literature review, social environment is the elements of the service environment (Baker et al., 1994; Sherman et al., 1997). Zeithaml (1988) defines perceived value as a customer's overall assessment of a unit product or service based on its benefit and cost. Satisfaction is the positive result of one party's overall assessment of another party (Anderson & Narus, 1984). Blackwell et al. (2001) defined repurchase intention as a special type of purchase intention that reflects whether a customer would buy the same product or brand again. There are mainly two kinds of research models used in previous studies. The first uses social environment as an independent variable that affects customer satisfaction, and then uses customer satisfaction as an independent variable that affects behavior intention. The other uses perceived value, service quality and marketing (using two or all three) as independent variables that affect customer satisfaction, and then uses customer satisfaction as an independent variable that affects behavior intention. There is relatively less studies that look at the relationship between social environment and behavior intention and the relationship between perceived value and behavior intention. The idea for this



paper was largely inspired from previous studies of a new research model that used social environment and perceived value as independent variables that affects customer satisfaction, then customer satisfaction as an independent variable that affects repurchase intention. Meanwhile, one could also study the relationship between social environment and repurchase intention, as well as the relationship between perceived value and repurchase intention. The result presented that social environment has positive effect on customer satisfaction and repurchase intention which is consistent with a previous study that shows that social environment is positively related to satisfaction and even affects customer behavior intention (Lin & Liang, 2011). Perceived value has positive effect on customer satisfaction and repurchase intention which supports previous study that perceived value is a reliable predictor of customer satisfaction and consumer purchase behavioral ( McDougall & Levesque, 2000; Ryu et al., 2008; 2010). Also, there is positive relationship between customer satisfaction and repurchase intention which consistent with previous studies that show that there is a positive relationship between customer satisfaction and future purchase intention (Oliver,1980; Bearden & Teel, 1983; Chen, 2007) . The result was consistent with previous studies, because in service industry, customer satisfaction is still a predictor of repurchase intention. There were many factors that can affect customer satisfaction and repurchase intention. Social environment and perceived value were two other factors that affect

customer satisfaction and repurchase intention.

The findings of this research shows that there is higher significance in the relationship among perceived value, customer satisfaction and repurchase intention, than the relationship among social environment, customer satisfaction and repurchase intention. The reason is that in ice cream franchise business, tangible values such as product, price, brand and service quality are still the main points of considerations for consumption by customers. Therefore, customer perceived value is more significantly related to customer satisfaction and repurchase intention. The mean scores of the variables as surveyed in the research are as follows: social environment described by service employees ( mean= 3. 826) , customer climate (mean= 3.544), perceived value including physical environment (mean= 3.905), product (mean=4.123), price ( mean= 3. 777) , brand image ( mean= 4. 051) and service quality ( mean= 3. 903) . The mean score of perceived value is higher than that of social environment, which shows that in the current ice cream franchise situation, customers are more satisfied with perceived value than with social environment. Since product and brand image have the highest mean scores, this proves that ice cream franchise business is in an advantageous position. The business owner should be pay more attention to developing new products to attract customers and strengthen the brand image in order to maintain the advantage in ice cream franchise market. Since customer climate has the lowest score, this means that the ice cream franchise business has to put in



more effort to improve in this area in order to stand out from its competitors.

### **The relationship between social environment and customer satisfaction**

Customer satisfaction refers to customers' overall evaluation of a performance or service provided (Turkyilmaz & Ozkan, 2007). Social influences arise through the personal interaction between customers and service employees (Butcher et al., 2002). A number of previous studies pointed out the significance of emotional display of service employees, in order to establish its relationship to customer satisfaction. Service employees' expression of positive emotions helps create positive emotion in customer experience (Tsai & Huang, 2002). Customer climate can positively influence customer satisfaction (Lin & Liang, 2011). Social environment contributes positively to customer feeling and satisfaction (Sherman et al., 1997). The result of this research shows that social environment has a positive effect on customer satisfaction. It is consistent with Lin and Liang's (2011) research that social environment is positively related to customer satisfaction.

### **The relationship between perceived value and customer satisfaction**

Satisfaction is the positive result of one party's overall assessment of another party (Anderson & Narus, 1984). In service industries, perceived values have a positive relationship to customer satisfaction (Andreassen & Lindestad, 1998). Customer perceived value is a reliable predictor of customer

satisfaction (McDougall & Levesque, 2000; Ryu et al., 2008; 2010). The hypothesis testing result presented that there is positive relationship between perceived value and customer satisfaction. This finding is consistent with previous research which showed that perceived value directly affects customer satisfaction and perceived value is a significant driver of customer satisfaction (Chiou, 2004). Researchers Ryu et al. (2012) present the result that perceived value is indeed a significant factor that has a positive effect on customer satisfaction.

### **The relationship between social environment and repurchase intention**

Blackwell et al. (2001) defined repurchase intention as a special type of purchase intention that reflects whether a customer would buy the same product or brand again. Social influences arise through the personal interaction between customers and service employees (Butcher et al., 2002). Social environment is positively related to satisfaction and even affects customer behavior intention (Lin & Liang, 2011). This research shows that social environment is positively related to repurchase intention, which is consistent with Butcher et al.'s (2002) conclusion that social influence affects repurchase intention and that there is a positive relationship between social influence and repurchase intention.

### **The relationship between perceived value and repurchase intention**

Perceived value was shown to influence customer behavioral intentions (Liu & Jang, 2009). Hume's (2008) research



shows that perceived value is the most important indicator of repurchase intention, and that increase in perceived value during a purchase will contribute to customer repurchase in the future. Liu and Jang (2009) suggested that perceived value influences customer behavioral intentions and was the greatest contributor to behavioral intention. In the research purposed that perceived value has an effect on repurchase intention and the hypothesis was proven perceived value has a positive relationship to repurchase intention which was consistent with a previous study by Har Lee et al. (2011) which proposed that perceived value has a positive influence on customer repurchase intention and there was a linear relationship at significant level between repurchase and perceived value.

### **The relationship between customer satisfaction and repurchase intention**

Oliver (1980) Bearden and Teel (1983) have identified the relationship between customer satisfaction and future purchase intention. Ryu et al.'s (2012) study shows that customer satisfaction is a significant predictor of customer behavior intention. Previous research have shown that customer satisfaction has a positive and direct effect on customer behavior intention, such as repurchase intention and word-of-mouth communication (Han & Ryu, 2009; Ryu et al., 2010; Ryu & Han, 2011). The result of this research supports that customer satisfaction is positively related to purchase intention which is consistent with Chen's (2007) research that showed that there is a positive relationship between satisfaction and

continuance intention. This is also consistent with a previous study by Fang et al. (2011) which pointed out that satisfaction has a positive relationship to customer intention and satisfaction was a significant predictor of customers' repurchase intention.

### **Implication**

Ice cream franchise business is one sector of the service industry. It aims to provide good service and products to meet customer expectation in order to attract them to return for repeated consumption. This paper studies the relationship among social environment, perceived value, customer satisfaction and repurchase intention. The research result shows that perceived value affects customer satisfaction and repurchase more than social environment. This section, based on the results, presents the dimension of perceived value with the highest level of agreement by respondents and the dimension of social environment with the lowest level of agreement by respondents. This is followed by an explanation of how the present dimensions apply to business managers of ice cream franchise.

### **The dimensions with the greatest contribution to perceived value**

The items with the highest level of agreement by the respondents are product (mean= 4.123), brand image (mean=4.051) and physical environment (mean=3.905). This shows that product has the greatest effect on perceived value, and that ice cream and beverage as a product is widely accepted by customers in the ice cream franchise business. Business managers of ice cream franchises should focus on their product, trying to maintain or improve



the quality of their products or create new products to meet customers' needs. The business manager of ice cream franchises can also consider using the price and the product to come up with a promotion, especially during the various local festivals. New products can also be launched and promoted during special festivals to give customers the opportunity to taste more of the brand's products. Brand image was the second highest important factor relative to customer perceived value. The survey result shows that most of respondents had a high level of acceptance of the brand of ice cream franchises chosen. This provides information to ice cream franchises manager that customers do care about the brand of ice cream franchise and that they trust the brand that they chose. Ice cream franchise business managers can strengthen the brand image by paying more attention to Corporate Social Responsibility (CSR), and try to increase the brand's popularity. On the other hand, the business manager can also work on strengthening the brand image by creating a membership system that gives preferential treatment like special discounts to customers who are members, or offer special treats or offers to them during their birthdays. Physical environment has the third highest level of agreement by respondents, which means that physical environment is one of the important factors that affect customer perceived value. Ice cream franchise business managers need to pay more attention to the physical environment of the cafe. The colors and lighting should make customers feel comfortable and strange colors and dazzling light should be avoided. The store should be checked regularly and

maintained well. If anything is damaged, it should be repaired or replaced immediately to ensure that the business can operate normally and smoothly during opening hours. Of course, the store should be kept clean and tidy, and there should be a pleasant scent and atmosphere in the store.

### **The dimension with the lowest contribution to social environment**

The item with the lowest level of agreement is customer climate ( mean= 3.544) . This shows that customers are not very satisfied with customer climate. The business manager should pay more attention to customers' behavior, feelings and reaction to other customers in the store. More care and consideration could be taken when arranging the tables and chairs in the stores so that customers are comfortable and do not have to sit too near each other or share tables with strangers. There should also be enough space for customers to walk between tables and chairs. The interior design of the store can be improved to create a more conducive environment for customers to enjoy their time in the store.

### **Limitation of study**

1. Limitation in data collection. Researcher went to shopping malls and collected data only on weekends. This excludes respondents who may frequent shopping malls only on weekdays.
2. Limitation of survey. Ice cream franchise in this paper include Baskin Robbins, Cold Stone, Swensen's, Häagen-Dazs, Ice Monster and Bud's. Some respondents were unable to answer the questionnaire because the ice



cream cafes that they frequented were not included in this research.

3. Limitation of translation. The questionnaire was originally written in English, but the sample group is Thai consumers so the questionnaire had to be translated to Thai. Parts of the questionnaire may not have been well-translated which may have resulted in the respondents having some difficulty or taking more time to complete the questionnaire.

## Recommendation for future research

1. Future research could consider adding customer emotion to the conceptual framework to study the relationship between customer emotion and customer satisfaction.

2. Future research could consider adding location to the conceptual framework, to study whether location affects customer repurchase intention.

3. In the future, more market research could be done on customer behavior.

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## Questionnaire

My name is Zhenyi Qin. This survey is a part of my master thesis of my course of study at the University of the Thai Chamber of Commerce. This survey is based on the topic “The relationship among social environment, perceived value, customer satisfaction and repurchase intention in ice cream franchises” Your information is valuable for this topic study, and I would be grateful if you could complete this questionnaire as part of my research. The information acquired from this questionnaire will only be used for academic purposes.

Thank you for your kind help!

### Section 1: Demographic profile

Please mark with a  $\surd$  in the appropriate box.

1. Gender  Male  Female
2. Age  15-24  25-34  35-44  45-60
3. Education level  High school/lower  Bachelor  Master  
 Ph.D.  Others
4. Occupation  Students  Company staff  
 Business owner  Government officer  
 Others
5. Monthly income  No income  less than 15,000 Baht  
 15,000-20,000 Baht  20,001-30,000 Baht  
 30,001-40,000 Baht  40,001-50,000 Baht  
 Above 50,000 Baht
6. What brand of ice cream franchise have you eaten?  
( ) please choose most often visit brand(  
 Baskin Robbins  Cold Stone  Swensen's  
 Häagen-Dazs  Ice Monster  Bud'd

**According to the brand that you have chosen in section 1 question 6, answer the questions in section 2 – 5.**



### Section 2: Social environment

Base on you experience, please give your response by putting a check  $\surd$  in one of boxes on the scale. Each of the numbers on the scale represents:

1=Strongly disagree 2=Disagree 3=neutral 4=Agree 5=Strongly agree

No.	Service employees	1	2	3	4	5
1	The service staff used appropriate speaking voice. (example: staff speaking not too loud or not too soft)					
2	The service staff used appropriate speaking speed. (example: staff speaking not too fast or not too slowly)					
3	The service staff smiled at me.					
4	The service staff made good eye contact.					
5	The service staff greeted me in a friendly way.					
	<b>Customer climate</b>					
6	During my time in the store, other customers left me with a good impression.					
7	During my time in the store, other customers did not affect store's ability to provide me with good service					
8	During my time in the store, other customers' behavior did not affect my perception of store's service.					

### Section 3: Perceived value

Base on you experience, please give your response by putting a check  $\surd$  in one of boxes on the scale. Each of the numbers on the scale represents:

1=Strongly disagree 2=Disagree 3=neutral 4=Agree 5=Strongly agree

No.	Physical environment of store	1	2	3	4	5
1	The layout of the store is good.					
2	The tableware in the store are of high quality.					
3	The color of the store is nice.					
4	There is comfortable lighting in the store.					
5	The temperature in the store is suitable.					
6	The scent in the store is pleasant.					



**Section 3: Perceived value (continued)**

Base on you experience, please give your response by putting a check  $\surd$  in one of boxes on the scale. Each of the numbers on the scale represents:

1=Strongly disagree 2=Disagree 3=neutral 4=Agree 5=Strongly agree

No.	Product	1	2	3	4	5
1	The ice cream tastes good.					
2	There is a wide variety of ice cream flavours in the menu.					
3	The ice cream is safe and hygienic.					
	<b>Price</b>					
4	The price is reasonable.					
5	The price is value for money.					
6	The ice cream have various price range.					
	<b>Brand Image</b>					
7	This ice cream brand is well established.					
8	This ice cream brand has a good reputation.					
9	This ice cream brand is well differentiated from other brands.					
10	I trust the company who owns this ice cream brand that appeared in the social media.					
	<b>Service quality</b>					
11	The service staff respond willingly to my requests.					
12	The service staff can explain the menu well.					
13	The service staff has good communication skill.					
14	The service staff expression politeness in service.					



**Section 4: Customer satisfaction**

Base on you experience, please give your response by putting a check  $\surd$  in one of boxes on the scale. Each of the numbers on the scale represents:

1=Strongly disagree 2=Disagree 3=Neutral 4=Agree 5=Strongly agree

No.	Satisfaction	1	2	3	4	5
1	I am satisfied with the service staff.					
2	I am satisfied with the other customers.					
3	I am satisfied with the physical environment.					
4	I am satisfied with the service quality.					
5	I am satisfied with the product.					
6	I am satisfied with the price.					
7	Overall, I am satisfied with this ice cream brand.					

**Section 5: Behavior intention**

Base on you experience, please give your response by putting a check  $\surd$  in one of boxes on the scale. Each of the numbers on the scale represents:

1=Strongly disagree 2=Disagree 3=Neutral 4=Agree 5=Strongly agree

No.	Repurchase Intention	1	2	3	4	5
1	I will purchase this ice cream brand again.					
2	I will say positive things about this ice cream brand to my friends.					
3	I will recommend this ice cream brand to my friends.					
4	I am willing to spend more on this ice cream brand.					
5	I will remain loyal to this ice cream brand in the future.					