

**EFFECTS OF SENSORY MARKETING  
ON CUSTOMER'S FUTURE  
BEHAVIORAL INTENTIONS  
IN CASUAL DINING RESTAURANT**

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by

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*“It is not possible to prepare thesis without the assistance & encouragement of other people. This one is certainly no exception.”*

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# **KESAN PEMASARAN DERIA PADA NIAT TINGKAH LAKU MASA DEPAN PELANGGAN DI RESTORAN MAKANAN KASUAL**

## **ABSTRAK**

Trend pemakanan di Malaysia telah membawa kepada pertumbuhan industri ini yang disokong oleh trend baru yang lain seperti pendapatan yang lebih tinggi dan penduduk yang lebih padat terutamanya di kawasan bandar. Sehubungan dengan perkara di atas, beberapa teori dan konsep telah diuji dan diterapkan ke pasaran untuk bersaing dalam industri dan mengekalkan pelanggan termasuk konsep pemasaran deria. Walau bagaimanapun, kajian menunjukkan bahawa terdapat kekurangan kesedaran terhadap penggunaan pemasaran deria dalam industri. Ini membawa kepada kesukaran untuk menubuhkan teknik sensorial yang betul dalam industri restoran. Tujuan kajian ini adalah untuk mengkaji kesan-kesan konstruk pemasaran deria iaitu - dinescape, foodscape dan logospace ke arah niat tingkah laku masa depan pelanggan secara langsung dan melalui emosi dan dan tanggapan nilai di restoran makanan kasual. Teori asas yang digunakan ialah teori Tindak Balas- Rangsangan-Organisma. Analisis deskriptif dan pemodelan persamaan struktur digunakan untuk menguji semua hipotesis kajian. Keputusan 234 responden menunjukkan bahawa pekerja servis, kesegaran, rasa, kad kredit dan logo halal mempunyai kesan terhadap niat tingkah laku masa depan pelanggan. Penemuan ini juga menunjukkan tanggapan nilai mengantara hubungan antara pekerja servis, kesegaran, rasa dan logo kad kredit, logo penggredan restoran dan logo wi-fi dan niat tingkah laku masa depan. Namun, emosi tidak mempunyai kesan terhadap pembinaan sebagai mediator. Kajian ini membuat kedua-dua sumbangan teori dan praktikal, terutamanya mendedahkan trend dan

keutamaan pelanggan di Malaysia ke arah penggunaan pemasaran deria untuk  
sesebuah restoran.

# **EFFECTS OF SENSORY MARKETING ON CUSTOMER'S FUTURE BEHAVIORAL INTENTIONS IN CASUAL DINING RESTAURANT**

## **ABSTRACT**

The trend of eating out in Malaysia has led to the growth of this industry supported by the other emerging trends such as higher income and higher population especially in urban area. In relation to the above matter, several theories and concepts been tested and applied to the market to compete in the industry and retain the customers including the concept of sensory marketing. However, the use of sensory marketing still suffers of a lack of awareness from the marketers in the industry. This leads to the difficulty of setting up proper sensorial techniques in the restaurant industry. The purpose of this study is to examine the effects of sensory marketing constructs- dinescape, foodscape and logoscape towards future behavioral intentions of the customer directly and through emotions and perceived value in casual dining restaurant. The underpinning theory used is the Stimulus-Organism- response theory. Descriptive analysis and structural equation modeling were used to test all the hypotheses of the study. The result of 234 respondents show that service staff, freshness, taste, credit card logo and halal logo have effects towards future behavioral intentions of the customer. The findings also indicated that perceived value mediates the relationship between service staff, freshness, taste and credit card logo, grading logo and wi-fi logo and future behavioral intentions. Emotion on the other hand, did not have any effects on the constructs as a mediator. This study makes both theoretical and practical contributions, especially revealing the trends and preferences of customer in Malaysia towards the use of Sensory Marketing for a restaurant.

## **CHAPTER 1**

### **INTRODUCTION**

#### **1.1 Introduction**

This chapter presents the introduction of the research including the background of study, problems statement, research questions and the objective of the research. It also explains the significance and scope of the research and the definitions of key terms used in this study. At the end of the chapter, the organisation of the research is introduced to give a view of the flow of this research.

#### **1.2 Background of the research**

Sensory marketing is distinct as marketing that involves consumers' senses and affects their perception, decision, and behavior (Krishna, 2011). It is generally understood as a process of pleasing consumer senses to influence their emotions, perceptions, selections, preferences, and consumption (Krishna, 2010). It is also seen as another manner of describing the form and purpose of all marketing communication, which targets to create awareness and stimulus consumer behavior through numerous channels that lead to the brain (Oswald, 2001). This includes the use of the five senses: sound, sight, smell, touch, and taste. From managerial viewpoint, sensory marketing can be used to create hidden triggers that delineate consumer perception of abstract concepts of particular product and the brand's personality. Furthermore, it can be used to influence the perceived quality of an abstract feature like color, taste, smell, or shape. From research perspectives, sensory marketing involves an understanding of feeling and perception as it relates to consumer behavior (Krishna, 2011).

In marketing field, sensory marketing began in the early 1970s where the dimension of atmosphere had been introduced to attract and retain customers. It is seen as one of the marketing tools that can be used in many industries (Kotler, 1973). From time to time, studies have been conducted to uncover further the concept of atmosphere that has recently received attention from various industries, including the food service industry.

Food service industry is one of the five core components in the hospitality industry. The hospitality industry broadly consists of five components: foodservice, lodging services (accommodation or hotel operations), recreation services (tourism activities), travel-related services (transportation services), and products provided with personal services (retail stores). Food service in Malaysia maintain to record a continued rising performance as Malaysians' demand for away-from-home consumption continued rising. The growth of this industry has been steered by several aspects, comprising the trend of eating out in Malaysia, as well as the growing population and the rising income of the residents in the urban areas (Euromonitor, 2019). The growth was also an indication of the increasing disposable income and the busy lifestyles of the urban consumers in the country. Within 2018 and 2030, the discretionary spending power of Malaysian households will continue to soar. In searching convenience as well as looking to save time, consumers will keep on to more options of eat out and call for home delivery (Euromonitor, 2019), leading to the needs of handling customers and making sure that all their needs and preferences can be contented to rise the revenue of the industry (Ryu, Han & Kim, 2008). According to the demographic and economic statistics, consumer foodservice reported EUR €8.09 billion (MYR38.6 billion) in value transaction and attained 35,612 outlets in 2017

(Italian Trade Agency, 2018). On top of that, tourist's receipts also add to the income of the food service industry in Malaysia.

The trend in the food service industry has evolved from year to year. As global market keeps on changing, it is vital for the restaurant operator to observe on the factors that affecting the customer behavior (Chow, Dickson, Tham & Wond, 2013). To cope with the new ways of life, which is faster in pace, many urban consumers are often eyeing for more convenient alternatives offered by the industry. Eating habits and expenditure on food are different between the urban and rural consumers. Consumers experience limited time to prepare full meals at home, especially dual working families, so they choose to dine out frequently and prefer foodservice outlets that are affordable due to high living costs (Italian Trade Agency, 2018)

With a wide range of restaurants, cafes, fast-food establishments, and street stalls, the urban consumers are more likely to dine out rather than cook at home. Eating out is a spreading trend among Malaysians as a result of surging affluence, swift urbanization, changing style of living and rising statistic of working mothers (Euromonitor, 2019). As household income increases, people spend more time at work and less time preparing food at home. This emerging response is related to the overwhelming pace of the city life, which has driven the urban consumers to (1) seek for entertainment venues; and (2) spend time and money on fancy restaurants, cafes, and clubs for the pleasure revenge.

Dining out is an essential part of Malaysians' social life. Malaysian families mostly enjoy at minimum one meal outside their home every week (Euromonitor, 2007). It showed an increment of 60% in consumer expenditure on dining out and other catering services in Malaysia due to the changes of lifestyle especially in the urban areas. Malaysians have perceived dining out as a social time to be spent with



family members or friends, especially in the urban areas. Many white collars have been spending their lunch time eating out rather than at home due to time constraints and locations. Young consumers living and employed in the metropolitan areas often dine out more frequently (Euromonitor, 2009). Moreover, the various ethnic backgrounds and customs in Malaysia have presented many food selections and given ways to innovative and adventurous cuisines (Euromonitor, 2007). Moreover, the destabilization of Malaysian ringgit compared to foreign currency has also inspired tourists to visit Malaysia more often in 2016 which result in more spending on food and beverages (Euromonitor, 2017). These are among the factors that have increased the number of fast food restaurants and informal dining outlets in Malaysia's urban areas. These outlets offer a variety of food and services such as buffet, delivery, and catering for special events to remain competitive in the industry.

In relation to the above matter, several theories and concepts have been tested and applied to the market for the businesses to compete in the industry and retain their customers. One of the concepts is sensory marketing, for example, the concept of atmospherics (de Farias, Aguiar & Melo, 2014; Ryu & Jang, 2007), service quality (Kincaid, Baloglu, Mao, & Busser, 2010; Kim, Joung, Yuan, Wu & Chen, 2009 ) and servicescape (Kim & Moon, 2009; Lin, 2004b; Ellen & Zhang, 2014). Studies have been conducted in this field by using one or a combination of the any of the five senses in the industry, but hardly were found that sensory marketing was used as a whole concept in previous studies. A well-designed restaurant devotes to one of the particular remarkable experienced to the customer, when all the constructs bind nicely starting from the food and beverage products, service and the physical environment (Dapkevičius & Melnikas, 2009; Judkis, 2015, Antun, Frash, Costen, & Runyan, 2010).

Nevertheless, the concept of sensory is well-known among the food science researchers for the last fifty years in which senses were used to evaluate specific food products towards the customers' preference (Moskowitz, 2011). The sensory analysis of food was established earlier to decrease the refusal of food by prospective consumer (Amerine, Pangborn & Roessler, 1965). Sensory evaluation has also been utilized to evoke, evaluate, analyze, and explain responses to the features of food and materials as they are perceived by the senses of sight, smell, taste, touch, and hearing (Sensory Division Web Site, February, 2004)

Mills (2000) stated that customers' desire a good overall restaurant experience. This is described as the customer's direct and indirect involvement of the service process, the organisation, the facilities, and how they relate with the service firm's representative and other customers, which in turn, forms the customer's cognitive, emotional, and behavioral responses and leave them with memories about the experience (Ute, Bo, & Åsa, 2010). A good overall restaurant experience depends on the keys to success for all foodservice establishments, which are tasty food, attentive service, and comfortable atmosphere (Liu & Jang, 2009a). In the restaurant industry, the use of sensory marketing can be explored in the variety of dimensions, such as servicescape, foodscape and logoscape through the five senses: taste, touch, smell, sound, and sight.

Servicescape is seen as an instrument to enhance the quality of the services and products and at the same time increase the revenue of the restaurant (Liu & Jang, 2009a). For instance, in the servicescape framework comprises three environmental dimensions: ambient conditions (containing factors affecting the five senses), space, and function (including organization of details in the room and their ability to assist the customers' purpose), and signs, symbols, and artifacts (explicit or implicit

indications about the company that influence the customer), which lead to perceived servicescape (Ute et al., 2010). This is supported through the studies done earlier on the consequences of atmospherics on consumer behavior in different backgrounds (Baker & Cameron, 1996; Donovan & Rossiter, 1982; Ryu & Jang, 2007). The effects were particularly obvious for service business since consumers often experience a whole service within a service setting and tend to conclude service quality from the tangible indications of the physical environment (Bitner, 1992).

Efforts were seen in regard to examining the effects of sensory marketing on perceived quality (Kim & Moon, 2009; Oh, 2000), perceived store image (Hu & Jasper, 2006), satisfaction (Hensley & Sulek, 2007; Namkung & Jang, 2007), purchase behavior (Chebat & Minchon, 2003; Mattila & Wirtz, 2001) and post purchase behavioral intentions (Kincaid, et al.; Ryu & Jang, 2008) in numerous setting. One study by Liu and Jang (2009a) examined the effects of dining atmospherics in a restaurant environment. They discovered that dining atmospherics had significant effects on customers' positive emotions, negative emotions and perceived value, and these variables had influenced the customers' post-dining behavioral intentions.

The term foodscape is defined differently in several studies. Johston, Biro, and McKendrick, (2009) defined foodscape as a social relation of food production, consumption, and distribution. Foodscape is referred in the literature as a social construction that captures and constitutes cultural ideas. It comprises how food relates to particular places, people, and food systems. The terms foodscape is also defined by Gold (2002) as the view of particular food item as seen in the sum appearance of the food's visual. These definitions have created many dimensions of foodscape which may influence food intake. Examples of parameters include shape, texture, size, colors and other qualities, including other attributes such as divisions or demarcations

apparent on the presented surface of food (Sobal & Wansink, 2007). Studies have attested the significant effects of food attributes on return patronage (Ribeiro, 2002; Sulek & Hensley, 2004). The attributes varies from food tastiness, consistent food, menu variety, and food quality.

Logoscape refers to the use of logo, certification, and recognition in a restaurant. Logo, certification, and recognition of an establishment are becoming an in-thing in the hospitality industry. These include the certification of halal, HACCP, ISO, and grading of the restaurant by the authority, to list a few. Establishments with a certification used the credential as a marketing strategy to attract more customers to their place, particularly by displaying the logo and certificate in their food premises. The importance assigned to the information depends on the confidence consumers have in the information provider. Research has shown that consumers are more confident with their purchase when they are able to make informed choice beforehand (Sabainah, Chemah, Maaruf, Aliffaizi, Jazziana & Suria, 2011). This discovery is aligned with that found in an earlier work, which indicated that the preferred method of viewing information on hygiene standards is to view the certificates displayed in the food premises (Worsfold, 2006). Most local authorities in the UK have encouraged businesses to display scores related to food hygiene scoring system in a prominent position such as on the window or business wall. This is similar to the practice of Malaysian authority that also requires businesses to display their logo and certificate in a prominent position in their restaurant.

Regarding to discussion above, sensory marketing elements can be one of the important marketing tools in the food service industry. The five senses- sight, smell, sound, touch and taste- can drive the industry to a better control of revenue. With the combinations of the elements of dinescape, foodscape, and logoscape, this research

tries to uncover the effects towards future behavioral intentions of the customer through emotions and perceived value. The purpose is to reach deeper understanding of what a customer really wants when he or she dines in the restaurant, and the emotions and perceptions that will make him or her return customer to the restaurant. The findings are hoped to contribute a new dimension in a holistic approach for the literature in sensory and service industry.

### **1.3 Problem Statement**

As the economy growth, and standard of living rise, customer pay further consideration on sensory. Within the region of Singapore, Malaysia, Thailand and Philippines, the demand for finer dining experience commensurate with the level of economic development of respective countries. Customer is becoming more demanding and sophisticated and demand for finer restaurant. Along rising incomes, Malaysians are becoming more refined consumers. Malaysians love hunting for a valuable deal as part of the enjoyment in shopping and dining (Euromonitor, 2019). Dining is more than just an eating out for many customers (Heung and Gu, 2012; Jalil, Fikry & Zainuddin, 2016). The “experience” is the most general element that is considered to be sold in hospitality industry. In a restaurant context, it is known as sensory experience (İsci, Tuver & Guzel, 2018).

Therefore, to become more competitive, many service providers are devoting in new construction or extensive transformation efforts of conspicuous hedonic facilities (Mathews, Bonn & Snepenger, 2009). Since the restaurant is in an industry that having low entry boundary, this leads the extreme competition between the rivals. To assure continuing success, it is essential for restaurateurs to obtain a comprehensive understanding of definite management theory and practice that structure an essential

part of a restaurant's quality differentiation strategy (Roberson & Kleynhans, 2015). With the raising count of new restaurants being opened every year, restaurateurs cannot solely give their attention to the food and service, but also pay attention to the physical evidence of the restaurant. (Yip & Mbow, 2018). With exception, restaurant need to find suitable approach to retain and captivate new customers, where at the same time restaurant should endure aggressive and a profitable (Canny, 2014; Sabir, Irfan, Akhtar, Pervez, & Rehman, 2014; Lu, Berchoux, Marek, & Chen, 2015; Ryu, Han, & Jang, 2010).

Manager spend a lot of time and money on designing a suitable experience to the customer, inclusive the use of sensory marketing. According to Mills (2000), a good overall restaurant experience is the desire of the customer. Sensory marketing is well known among the managers. It is a strategy derived from the managers to attract more customer to the restaurant. On the other side, customer view sensory marketing as dining experienced. It is by which the customer engages in the process through one or more of the five senses- smell, sight, sound, taste and touch (Ladhari, Brun & Morales, 2008; Namkung & Jang, 2009). This begin from the moment the customer looks at the restaurant, decides to dine in the restaurant, experienced the moments in the restaurant, until he or she goes out from the restaurant with the memories. Number of studies have found that customer reaction to the physical environment can be more important, particularly in hedonic consumption such as restaurants, retail stores, hotels and casinos (Lee & Lee, 2015). That experienced must be translated into sensory marketing by manager, not single out over one particular factor but combination of factors.

Review of the literature has revealed that the field of sensory marketing offers many questions to be explored by the managers and researchers. This has proven the

growing field of sensory marketing as mentioned by Krishna (2011), which offered a variety of dimensions to be explored and investigated in it. However, there is lack of cohesiveness within this research stream although some studies have concentrated on sensory perceptions in consumer behavior. Many previous studies focused on sensory marketing where it covers the service related industry. While it is good to know the outcome of the study, but it is not directly applicable for the restaurant industry.

Hoegg and Alba (2007) stated that a massive majority of past food research concerning consumer decision-making has overlooked sensory discrimination. In order to understand consumer's food product experience, it is necessary to conduct sensory research in relations of food features as taste, scent, flavor, texture, color, brand, packaging, and other visual components (Garber, Hyatt & Starr, 2003). The afore mentioned theoretical and practical gaps and limitations can be summarized in five research priorities motivated this study.

Firstly, a lack of formal studies to explain the sensory marketing concept, especially in the restaurant industry context, is evident in the literature. The effect of sensory marketing concept in the foodservice industry is still vague especially on the importance to the restaurateurs and customers. Valenti and Riviere (2008) stated that the interviewed restaurants' managers are not well recognize or have a proper understanding of the approach of sensory marketing theoretically and practically. Regardless of extensive amount of research exploring the influence of atmospherics on consumer behavior in the retail setting (Naylor, Kleiser, Baker & Yorkston 2008; Verhoef et al., 2009; Puccinelli et al., 2009; Keng, Huang, Zheng & Hsu, 2007), little attention has been given to the restaurant industry (Liu & Jang, 2009a). Although food is the core product in the restaurant, few studies in the field have explored the collective effect of various elements that involve the servicescape and food quality in

the restaurant setting (Jang & Namkung, 2009; Kim & Moon, 2009; Kincaid et al., 2010; Ute et al., 2010). However, it is lack of empirically tested if customers in casual dining restaurant are mainly induced by food, atmospherics, or service.

Secondly, there is vague understanding about sensory marketing construct measurement. Past studies have been conducted to operationalize sensory marketing construct by construct but hardly transform the extensive picture with verified measurements. Particularly in the hospitality and restaurant industry, limited studies have found the importance of the three variables as whole in the concept of sensory (Ha & Jang, 2012; Prayag et al., 2015), but in terms of representing individual dimensions, dinescape, foodscape, and logoscape is seen as an image that is carried by the restaurant. Likewise, in practice, there is lack of comprehensive practical approach to sensory marketing. Most of past studies within the field have observed the concept of sensory marketing into cross-modal relations, including the influences of smell and sound (Matilla & Wirtz, 2001; Spangenberg, Grohmann & Sprott, 2005), sound and sight (Russell, 2002), sound and perceived taste (Yorkston & Menon, 2004), sight and taste (Hoegg & Alba, 2007), and smells and haptic (Krishna, Elder & Caldara, 2010). Moreover, the concept of sensory marketing is poorly understood and there are only a few limited studies on sensory marketing and future behavioral intentions of customer in casual dining restaurant. This limit the marketing literature that offer a complete and realistic picture of sensory marketing as a whole –specifically in casual dining restaurant. The utilization of stimuli-organism -response theory in the industry also generating uncertainty on the generalizability relevance in the industry, despite the proven past literature which found the significant and positive relationship (Vieira, 2013).



Thirdly, most of the earlier studies have investigated the direct relationship between sensory marketing and future behavioral intentions. Findings revealed that food, service, and physical environment of the restaurants are extensively treated as constructs which influence satisfaction and return patronage intentions (El-Adly & Eid, 2016; Han & Hyun, 2015, 2017; Kim, Ng, & Kim, 2009). Nonetheless, there is still limited research examine the present of perceived value and emotions as a mediating role between sensory marketing and future behavioral intentions (Bae, Slevitch & Tomas, 2018) using the S-O-R theory. Customers now are more resourceful to search a restaurant that offer a variety of exclusive menu with reasonable price and at a same time promise a great experience through atmosphere of physical environment and quality services (Canny, 2014). The application of the constructs namely emotions and perceive value might help to cause an excellence customers' dining experiences as well as produce customer satisfaction and affect in positive behavioral intentions (Canny, 2014). Past literature found positive emotional responses have been invalidate by researchers as the main cause of customers' actions (Martin, et al. 2008; Yüksel 2007; Han and Jeong 2013). With the suitable application of constructs in the restaurant, restaurateurs can give what customer seeks in a restaurant—the 'sensory experience'(Sánchez-Fernández and Iniesta-Bonillo 2007). However, limited studies report on the effect of perceived value and emotion towards customers' response in the restaurant (Mathur & Gupta, 2019). Limited research focused towards the relationship of sensory, perceived value, emotions future behavior intention of the customer. Therefore, further investigation is required to find the role of perceive value and emotions as mediator.

Restaurateurs failures derive from the lack of understanding of sensory marketing requirements, eventhough the importance of sensory marketing is

frequently highlighted in previous literature. The inaccurate sensory marketing application in the restaurant industry may be caused by limited of theoretical evidence guiding the implementation. There is no rule of thumb for the restaurant industry to implement sensory marketing, Hence, the recognition of proper constructs can lead to more successful utilization of sensory marketing in the restaurant.

Therefore, this study aims to bridge these gaps by combining three components (dinescape, foodscape, logoscape) customer perceived value, customer emotion, and future behavioral intentions in casual dining restaurant segment. The outcome of the used of sensory marketing in this study is important for both academia and practitioners. This study differentiates itself from previous research by considering the several elements demanded for restaurant from a holistic perspective with the application of S-O-R theory.

#### **1.4 Research Questions**

Questions are developed to seek answers and solve some of the gaps and problems that exist in the research area. This study focuses on the concept of sensory marketing specifically on the relationship of dinescape, foodscape, logoscape towards future behavioral intentions through perceived value and emotions in a casual dining restaurant. Given this objective, the following questions were addressed in relation to the subject:

1. Does sensory marketing (dinescape, foodscape, logoscape) have positive effects towards the future behavioral intentions of the customers in a casual dining restaurant?
2. Does sensory marketing (dinescape, foodscape, logoscape) have positive effects on the customers' future behavioral intentions via perceived value?

3. Does sensory marketing (dinescape, foodscape, logoscape) have positive effects on the customers' future behavioral intentions via emotions?

## **1.5 Research Objectives**

The objectives of the research are as follow:

1. To examine the effects of Sensory Marketing (dinescape, foodscape, logoscape) on customer's future behavioral intentions.
2. To examine whether perceived value mediate the relationship the between Sensory Marketing (dinescape, foodscape, logoscape) and future behavioral intentions.
3. To examine whether emotions mediate the relationship the between Sensory Marketing (dinescape, foodscape, logoscape) and future behavioral intentions.

## **1.6 Significance of Research**

This section will discuss on the significance of this research. It will elaborate on the contribution of the research to the body of knowledge and how this research can help the organisations in managing the customers and the restaurant.

### **1.6.1 Theoretical**

It is hoped that the findings from this research will contribute additional knowledge and literature on the restaurant industry, specifically on the concept of Sensory Marketing in the casual dining restaurant. Even though the concept has been applied in the industry (example: use of music and decoration in the restaurant), there were limited literature examine the effect of sensory marketing (dinescape, foodscape, logoscape) towards customer behavior through perceived value and emotions.

More important, it will add to a literature of sensory marketing which consist of dinescape, foodscape, logoscape, perceived value, emotions and future behavior intentions from the dimension of Malaysian hospitality industry specifically in the restaurant industry. This will add important contributions to the hospitality and tourism literature on sensory marketing. It will fill the gap of little research which emphasized on the importance of sensory marketing in the industry and perceived value and emotions as key strategic variables in explaining the customer's future behavioral intentions. To date, there is limited (if any) research that focus on the dimension of dinescape, foodscape and especially logoscape effects on the future behavioral intentions of the customer in casual dining restaurant.

This study also contributes to the theoretical development in the area of restaurant management by examining the interrelationships between the variables- dinescape, foodscape, logoscape, sensory marketing, emotions, perceived value and future behavioral intentions. The use of S-O-R theory is hoped to explain, and present evidence related to numerous sensory marketing application and their effect to consumer's behavior. It provides explanation of the relationship between the variables. Furthermore, it will add the literature in the restaurant industry since most of the research exploring the influence of the atmospherics on consumer behavior in the retail industry.

It is hoped that this research can fill the gap of limited literature specifically in Malaysia that focuses on dinescape, foodscape and logoscape dimensions in casual dining restaurant industry. The relationship created from these elements will provide solutions in marketing the restaurant and retaining the customers. At the end of the day, the results from this study will help to close the loopholes in the hospitality industry literature and give new dimensions of sensory marketing in the field.

### **1.6.2 Practical**

This research will provide information to restaurant managements on the use of sensory marketing in a casual dining restaurant. By using the findings, the managements can focus on the elements that are important in providing good service and products to customers. The findings will reveal the consumers' perception towards the use of sensory marketing in a restaurant, and the effects of such a strategy towards their future behavioral intentions through perceived value and emotions. From here, the restaurant industry can really understand the importance of sensory marketing in achieving better revenue.

The study will also track the trends and preferences of customers towards the dimensions in dining experience. From the results is gathered, the management of a restaurant can apply the elements in a way that will increase customer satisfaction and lead to greater revenue of the restaurant, for example, suitable colours to create positive emotions, suitable layout and service, or the use of smells and creative food presentations that will increase the perceived value of the customers. In this research, dinescape, foodscape, and logoscape not only act as important components of a customer's impression structure, but also as an important source of evidence in the overall evaluation of the use of sensory marketing and the service organisation in general.

The impacts of each component in sensory marketing can be used to develop guidelines for restaurant operators to use to attract and retain customers. The findings can also help the restaurateurs to determine the impact of sensory marketing on perceived value and future behavioral intentions. The results can also serve as evidence of the relationship among dinescape, foodscape, logoscape, perceived value, emotions,

and behavioral intentions. Therefore, the findings can facilitate restaurant owners to better understand how to meet or even exceed customers' needs and expectations. Moreover, the information collected can be used as guidance for service marketing managers undertaking new restaurant openings or renovation projects.

The findings from this research can also facilitate organisation in planning how to attract consumers to dine-in the restaurant, how to retain them, and how to attract more new customers through the positive behavioral intentions formed by the customers in the society.

### **1.7 Scope of the Research**

This research is a quantitative research. The information is obtained from the customers in a casual dining restaurant. The study focuses on the consumers' perception towards the use of sensory marketing (dinescape, foodscape, and logoscape) in a casual dining restaurant. The restaurant industry is selected as the empirical setting because restaurant services are used by most of the people (Ute, et al., 2010). The research focuses on casual dining restaurants which are growing in popularity among Malaysians. Casual dining restaurants can be categorized under high contact services because the service they produce is in the presence of the customers (Schneider & White, 2004) as well as the relations between the customers and the other parts of the restaurant offering. Furthermore, restaurant services signify the most common attributes of service.

To achieve the objectives, the research was conducted in the casual dining restaurant during the presence of the customers. During the process, the customers used their senses to feel, choose, and evaluate the products and services offered by the casual dining restaurant. Customers' presence at a restaurant makes the close

interpersonal interactions among them and the restaurant employees and also between the customers, the visible aspects for them, and the restaurant firm (Lovelock, 1983). The first interaction was the interactions in the environment. The second interaction is the activities, and the third interaction is the customers being actively included as co-producers (Gronross, 1990).

Processes are also highlighted as the most fundamental of services by Lovelock (1983). Additionally, customers spend time and money in restaurants in search of pleasure, hospitality, and interactions (Ward & Martens, 2000). Their perception towards the application of sensory marketing in a casual dining restaurant is important in order to retain and attract them to the restaurant. Because of this, casual restaurant offers a good opportunity for the study on customers' involvement and perception in an experiential context (Schneider & White, 2004).

## **1.8 Definition of Key Terms**

Throughout the research, the following terminologies will be defined as follows:

### **1.8.1 Sensory Marketing**

Sensory marketing is defined as a marketing that engages consumers' senses and affects their perception, judgment, and behavior (Krishna, 2011). In this study, sensory marketing is known as creating and developing a special atmosphere for a restaurant which perceived as an effective marketing application that provides a company a real opportunity to maximise product profitability (Valenti & Riviere, 2008).

### **1.8.2 Dinescape**

Dinescape is servicescape dimensions in a restaurant that consists of facility aesthetics, ambience, lighting, table setting, layout, and service staff, which are specifically developed for a restaurant environment (Ryu & Jang, 2008).

### **1.8.3 Foodscape**

Foodscape represents the aspect of a particular food object as seen in the total appearance of the food's visual features (Gold, 2002) and the food quality (Jang & Namkung, 2009) with parameters such as taste, healthy options, variety, freshness, temperature and presentation.

### **1.8.4 Logoscape**

Logoscape is a variety of graphic and typeface elements that range from word-driven, conceptually simple logotypes and word marks, through to image-driven, conceptually complex brand marks (Henderson & Cote, 1988; Olins, 2003; Wheeler, 2003) which helps to communicate with consumer's thorough visual which transcend language barriers and international boundaries (Kohli & Suri, 2002). It produced instant recognition and consumers association with brand (Pittard, Ewing & Jevons, 2007). In this study, logoscape is defined as a warranty given by the authority and as a brand, which gives information about services being provided by the establishment.

### **1.8.5 Perceived Value**

Perceived value is defined as "the overall assessment of the utility of product based on the perceptions of what is received and what is given" (Zeithaml, 1988). In this study,



it is referring to the perception of the customer towards quality and price of the product and services in the restaurant (Ryu, Lee & Kim, 2012) .

### **1.8.6 Emotions**

Emotions are responsive activities that can result in two opposite actions: approach or avoidance. These actions are caused by a customer's exposure to specific stimuli (Mehrabian & Russell, 1974). In this study, the fundamental emotions can be divided into positive emotions and negative emotions (Liu and Jang, 2009).

### **1.8.7 Future Behavioral Intentions**

In this study, future behavior intentions is defined as repeat patronage or the intention to visit the restaurant again in the future (Ryu, Lee & Kim, 2012).

### **1.8.8 Casual Dining Restaurant**

In this study, casual dining restaurant is a concept of restaurant business, which combined the development of full service and fast food restaurant operation which designed to attract middle-income customers who enjoy dining out (Spears & Gregoire, 2006) with a casual ambience, excellence in its foods as well as professional and attentive employee-customers approach (Power & Barrows, 2003; Dittmer, 2002).

## **1.9 Organisation of Research**

This thesis consists of five chapters. In the first chapter, it presents the background of study, problem statement, research questions and objectives, significance of the research, scope of research and definition of key terms used in the

research. It explains briefly about the research concept that will be explored in the study.

In the second chapter, literature review of the major variables in the research is elaborated to give a clearer perspective on sensory marketing variables which include dinescape, foodscape, logoscape, perceived value, emotions and future behavior intention. The review is based on previous paper, articles and meta-analysis in the related area.

The third chapter discusses the matter of methodology chosen for this research. This includes the research framework, development of hypotheses, and research methodology. The chapter explains the research design, population, and sample size, sampling design, data collection procedure, questionnaire design, research instruments, control variables, and statistical techniques.

The fourth chapter reports the statistical results from the data analysis based on the questionnaire and findings of the research. The fifth chapter highlights the findings of the research and its contribution, implications, and limitations. At the end of the chapter, conclusions, suggestions, and directions are given to summarise up the chapter.

## **CHAPTER 2**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter reviews the related literature on the variables used in this study- namely- sensory marketing, dinescape, foodscape, logoscape, perceived value, emotions, and future behavioral intentions. It further discussed the underlying theory used in the previous research and the development of suitable framework for the study. Background and trend of the restaurant industry globally and locally is discussed to give a view of the importance of the variables in this study.

#### **2.2 The Food Service Industry: Globally and Locally**

The hospitality and tourism industry is the largest and fastest rising industry in the world. Food service is one of the components under the hospitality and tourism industry. In general, it is defined as the sale of foods and drinks for immediate consumption either from the premises from which they were bought, or in specified eating areas shared with others food service operators, or in the event of takeaway transactions, freshly prepared food for immediate consumption. Generally, this sector is divided into the profit and nonprofit sectors. The profit sector is categorised by the fact the no subsidy is compensated to anyone participating in the food service transaction. Channels under this sector includes cafes, pubs, bars, clubs, full-service restaurants, quick service restaurants, drive through, hotel and lodging, street and mobile hawkers, retailers, leisure vendors, and on-board vendors.

Restaurants constitute the largest segments of the worldwide profit food service sector, accounting for 63.7% of the sector's entire value (Table 2.1). This is followed by pubs, clubs, and nightclubs (8.9%), hotels and lodging (7.9%), cafes (6.3%), takeaways (3.7%), and others (9.6%). From the percentage, Asia Pacific accounts for 43.1% of the worldwide profit food service sector value, the highest percentage followed by Americas (34.7%), and Europe (22.2%). The global food service profit market has grown quite strongly in recent years and is expected to grow larger in the following years. The growth and performance vary from country to country (Datamonitor, 2010).

Table 2.1: Global Profit Food Service Sector Segmentation by Value, 2009

Category	% share
Restaurants	63.7
Pubs, Clubs & Nightclubs	8.9
Hotels & Lodgings	7.9
Cafes	6.3
Takeaways	3.7
Others	9.6
Total	100

Source: Datamonitor (2010)

Looking at the Malaysia scenario, the statistics by Tourism Malaysia shows that tourist arrivals to Malaysia in 2016 rose to 26.76 million in 2016 against 25.72 million in the previous year. This also leads to the increment in terms of receipts from 69.1 billion in 2009 to 82.1 in 2016 which is driven by the economy recovery. Regardless of challenging times ahead, it can be forecasted from the statistic that the receipt from the tourist arrival remains on increasing in sequence with the increasing number of tourists from year to year (refer to Table 2.2).

Compared to other countries, Malaysia is a top tourist visited destination in the South East Asia compared to other countries. Statistics have shown that the tourism industry in Malaysia is a major contributor to the country's economy. Malaysia is also characterised by a multi-cultural society which consists of Malays, Chinese, Indians, and other ethnic who live in harmony and show their uniqueness. These cultures and tradition have formed their own unique gastronomies, which lead to the emergence of culinary tourism. Culinary tourism refers to tourists or visitors whose travels are moved by interest in food and drinks. Therefore, the key motivations for people to travel are to experience and savor the food and drinks that can give a lasting memory in their life span. The tourists can experience unique cuisines simply in only one country.

Tourists' expenditure on food has also shown a positive sign with the increasing number of tourists in Malaysia. It increased from 10.75 billion in 2016 to 10.93 billion in 2017. Moreover, tourist's receipts have also added to the revenue of the foodservice industry in Malaysia. The tourism industry in Malaysia which generates RM82.1 billion in receipts annually is projected to remain relatively strong although being surrounded by global and regional woes. The weakening Malaysian ringgit against foreign currency encouraged tourists to visit Malaysia more frequently in 2016. As a result, tourists spent more on food and beverages while travelling in Malaysia. The continuous promotion from airlines companies also supported to the increasing number of tourists in 2016 (Euromonitor, 2017).