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Research note

Efficient or enjoyable? Consumer values of eating-out and fast food restaurant consumption in Korea

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Abstract

The Korean fast food industry has grown rapidly since the 1988 Seoul Olympic Games. There are now 1500 fast food restaurants in Korea. This study investigated the relationships between consumer values of eating-out and the importance of fast food restaurant attributes in Korea. Using a questionnaire, 279 fast food restaurant patrons were surveyed. The results showed that consumer values of eating-out divided into two factors; hedonic and utilitarian. The hedonic value of eating-out had positive correlation with mood, quick service, cleanliness, food taste, employee kindness, and facilities, the utilitarian value centered on reasonable price, quick service, and promotional incentives. Also, the hedonic value more influenced buying frequency than the utilitarian. This study presents empirical evidence showing that Korean consumers choose fast food restaurants more by hedonic, not utilitarian, values of eating-out. Consequently, fast food restaurant marketers in Korea should consider hedonic aspects as the most important factors in attracting customers. Limitations and further research issues are suggested.

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Keywords: Fast food restaurant; Consumer values; Hedonic consumption; Restaurant buying behavior; Restaurant attribute; Korea

1. Introduction

Due to global travel, communication, and media, cultures are converging and the globalizing of markets has led to a common culture worldwide. The fast food

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restaurant is one typical form of global business (Emerson, 1990). As Korea is not exceptional in this stream, fast food industry is growing up rapidly in recent years. The total market size of the foodservice industry is estimated to be about \$16.2 billion with an annual growth rate of 13%. In Korea, the fast food industry has grown rapidly since 1988 Seoul Olympic Games. There are currently 1500 fast food restaurants throughout the country. Many Korean adolescents are becoming increasingly more westernized and workers pursue greater convenience when eating. Presently, there are four major fast-food restaurants chains in Korea: Lotteria, McDonalds, KFC and Popeye's. Lotteria, the Korean brand, ranks the first by market share despite fierce challenges by foreign fast food competitors.

Why was the fast food industry in Korea grown so growing rapidly, and why is Lotteria domestically the most successful? There are some unique cultural differences in Korean fast food consumption. For example, Koreans tend to consider fast food restaurants as representative of western culture. In addition, they are recognized being not only an efficient and economic eating environment but also as an exotic place for social interaction and entertainment. There are negative viewpoints as to whether or not the global standardization of restaurant operations is fit for Korea. This study focuses on the unique points related to the adoption and use of fast food restaurants in Korea. Fast-food restaurants should develop customer-oriented marketing strategies based on culture-specific characteristics to survive in fierce competition. Therefore, a better understanding of Korean fast food restaurant behavior is necessary in developing effective marketing strategies. However, consumer behavior in connection to fast food has received only limited attention or study within the hospitality and food services studies (c.f. Bagozzi et al., 2000; Lan and Khan, 1995; Lee and Lee, 2000; Pettijohn et al., 1997). More specially, cultural research on consumption of fast food restaurant is virtually unavailable. This study was undertaken to explore the relationship between consumer values of eating-out and consumption of fast food restaurant in Korea. Some unique findings will be identified through this work.

2. Values of eating out

There are various motivations for eating out; economizing, efficiency, fun, taste, and social interaction. Eating out gives consumers experiential values. The restaurant is a place where we experience excitement, pleasure and a sense of personal well being (Finkelstein, 1989). Ritzer (2001) argues that consumers are increasingly coming to value "efficiency, calculability, predictability and control," due to changes in lifestyle, demographic factors and technology in restaurant consumption.

Values represent important and desirable end goals. A general view of values guided this research, recognizing both (1) a utilitarian outcome resulting from the conscious pursuit of an intended consequence and (2) an outcome related more to spontaneous hedonic responses (Babin et al., 1994). The former is called a utilitarian value and the latter a hedonic value. Utilitarian consumer behavior has been

described as task-related and rational (Batra and Ahtola, 1991). The hedonic value is more subjective and personal than its utilitarian counterpart and results more from fun and playfulness than from task completion (Holbrook and Hirschman, 1982).

People eat out because of the benefit they derive from food and restaurants. Consumer values of eating-out can be defined as value consumers derive from food, service, and restaurants when eating-out. Consumers pursue these values to satisfy their hunger, and need for convenience, pleasure, entertainment, social interaction, and the mood transformation. Visiting a restaurant for its functional values—such as satisfying one's hunger, enjoying convenient food, or economical eating—is a goal-directed behavior; by contrast, recreational and experiential visiting are hedonic orientations. Thus, the utilitarian value of eating-out is defined as a value related to functional and economical aspects of eating-out while the hedonic value represents consumer fun, entertainment, absorbing, and novelty.

Consumers are believed to view a service such as a restaurant meal in terms of a set of attributes: (i.e. characteristics that make it desirable), ascribing different levels of importance to each attribute (Johns and Pine, 2002). Consumers weigh the overall value of an offering in terms of the degree to which each attribute is present and the importance they see the attribute as having (attribute-value theory). When consumers consider the convenience and price of an eating place, the utilitarian value of eating-out plays an important role in restaurant evaluation and selection. Therefore, attributes of quick service, price, location, and cleanness may be more important than hedonic attributes like mood, employee service, interior, and variance of menu. Pettijohn et al. (1997) also found quality, cleanliness and value to be the three most important attributes in fast food restaurants, while atmosphere and menu variety were relatively unimportant. However, is it true in Korea where fast food restaurants are considered to be exotic, social and playful? More accurate examination would be needed.

The purpose of this research is to measure consumer values of eating-out—utilitarian and hedonic values—and to explore the relationships between consumer values of eating-out and fast food restaurant consumption. The importance of attributes restaurant and consumer buying behaviors in fast food restaurant may be different according to the values of eating-out. We assume that the utilitarian value of eating out is more related to consumption in fast food restaurants. However, as mentioned above, an identification of that is needed in the Korean situation—Will the utilitarian value of eating out affect restaurant attributes and consumer behaviors in fast food restaurant more so in Korea?

3. Method

3.1. *Samples and procedures*

A survey using a structured-questionnaire was performed for getting data. Respondents were selected through convenience sampling. Thirty interviewers who were trained and who participated in the project were given course credit for

interviewing and collecting responses. The questionnaires were distributed to visitors of fast food restaurant who were known personally by the interviewers.

Two hundred and seventy-nine completed questionnaires were collected. The sample consisted of 27.2% ($n = 76$) males and 72.4% ($n = 202$) females. Fortyone point nine percent of them were between the ages of 19 and 22, 34.1% were between 23 and 29, 13.3% were younger than 18, and 10.8% were older than 30. With respect to job distribution, 47.7% were college students, 28.4% were workers, 16.5% were high school students and 6.5% were others. The Mean buying frequency of the international fast food restaurant of the sample was 5.79 per month; 28.4% were between 3 and 4, 21.1% were between 5 and 6, 20.9% were 7–10, 20.8% were 1–2, and 9.0% were over 11 times per month. One interesting observation found was that Koreans seldom go to fast food restaurants alone; 74.6% were with friends, 12.9% were with their lovers, 5.4% were with family, 4.7% were with colleagues, only 1.8% were alone, and 0.4% were with others. Quantitative analyses of survey data were conducted using factor and correlation analysis with SPSS Win 8.0.

3.2. *Measurements*

A questionnaire was designed to measure consumer values of eating-out, the importance of restaurant attributes, buying behavior of fast food, and demographic variables. It was also based on findings from previous in-depth consumer interviews and studies. The measurement of consumer values of eating-out included a five-point Likert-scale from “strongly agree (5) to strongly disagree (1)” (c.f. Babin et al., 1994; Batra and Ahtola, 1991). After testing reliability and validity, the final seven items were chosen (see Table 1). A measurement of importance of restaurant attributes included 11 Likert-scale measured from “very important (5) to never important (1) based on Bojanic and Rosen (1994), June and Smith (1987), Koo et al. (1999), Lee and Lee (2000), Oh and Sparks (1998) and Pettijohn et al. (1997) (see Table 2). Buying frequency per month and average expenditure per visit to international fast food restaurant were measured with open-ended questions.

4. Results

4.1. *Factor analysis of consumer values of eating-out*

Factor analysis, using the principal component method with a Varimax rotation of factors, was performed to identify characteristics of consumer values of eating-out. Cronbach's alpha was used to assess the reliability for each factor. The factor structure and reliability coefficients for each factor are summarized in Table 1.

The factor structure of consumer value of eating-out consisted of two aspects, hedonic and utilitarian values. The two-factor solution explained 56.7% of the variance in the correlation matrix. The eigenvalue of the hedonic value factor was 2.44, and for the utilitarian value factor was 1.54. The reliability coefficient for the

Table 1
Factor structure and item-reliability of consumer values of eating-out

Consumer values of eating-out items	Factor loadings	
	Factor 1	Factor 2
Factor 1 (hedonic value)		
1. The mood and interior design of restaurants are important when eating-out.	0.787	
2. I prefer eating out to feel good feeling in a wonderful place.	0.763	
3. Although the cost is the main factor, it is necessary to eat out at a good place.	0.733	
4. Eating-out should be fun and pleasant.	0.681	
Factor 2 (utilitarian value)		
1. Eating-out should be simple and convenient.		0.779
2. The best place to eat-out is one that is pragmatic and economical.		0.770
3. It is a waste to spend a lot of money when eating-out.		0.720
Eigenvalues	2.43	1.54
% of variance	34.8	21.9
Cronbach's alpha	0.734	0.637

Table 2
Correlation results of consumer values of eating-out and attributes importance of fast food restaurant

Restaurant attributes	Hedonic value	Utilitarian value
Price	0.0119	0.2747***
Mood	0.3327***	−0.0588
Quick service	0.2026***	0.2681***
Cleanness	0.2144***	−0.0950
Location	0.1693**	0.0087
Promotional incentives	0.1723**	0.1614**
Taste of food	0.2694***	−0.0811
Variance of menu	0.1537**	0.0281
Kindness of employee	0.2515***	−0.0615
Reputation and image	0.2353***	0.0201
Facilities	0.2978***	−0.0834

** $p < 0.01$, *** $p < 0.001$.

hedonic value factor with 4 measurement items was 0.733, the utilitarian value factor with 4 measurement items was 0.637.

4.2. Consumer values of eating-out and importance of fast food restaurant attributes

The most important attribute of fast food restaurant was “taste of food” (4.45), followed by “cleanliness” second (4.34), “kindness of employee” third (4.18), “quick service” fourth (4.05), “facilities” fifth (4.03), “variance of menu” sixth (3.89), and so on (see Fig. 1).

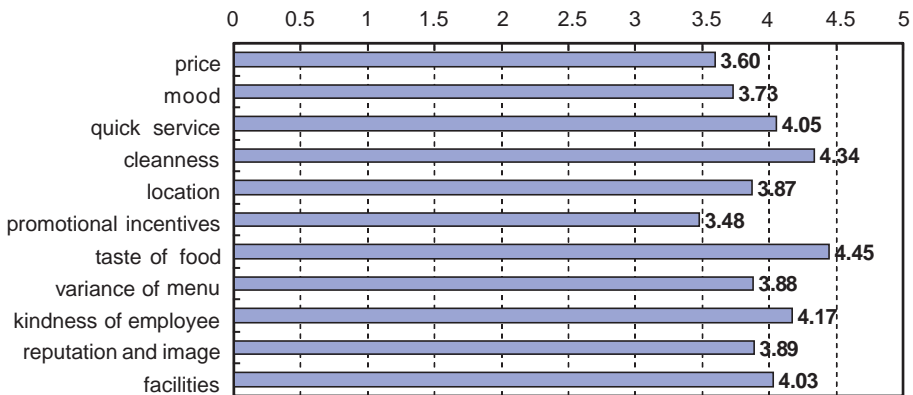


Fig. 1. The mean value of importance of fast food restaurant attributes.

Pearson product-moment correlation coefficients were computed with consumer values of eating-out and attributes evaluation of fast food restaurant. The results are summarized in Table 2.

Significant positive correlation was obtained between the hedonic value and attributes importance of fast food restaurant except price in Korea. However, there was insignificant correlation between the utilitarian value and attributes importance of fast food restaurant except in terms of price, rapid service, and promotional incentives.

The results suggest that the greater the hedonic value is in eating-out, the higher mood, quick service, cleanness, location, promotional incentives (e.g. coupons, discount price, or events for customers), taste of food, variance of menu, employee kindness, reputation, and facilities importance of fast food restaurant will be. The greater the utilitarian value of eating-out one has, the higher price, rapid service, and promotional incentives importance of fast food restaurant will be.

4.3. Consumer values of eating-out and buying behaviors of fast food restaurants

Pearson product-moment correlation coefficients were computed with consumer values of eating-out and buying behaviors in fast food restaurants. The results are summarized in Table 3. There is a significant correlation between a hedonic value of eating-out and consumer buying frequency in fast food restaurants but the hedonic value had an insignificant correlation with average expenditure per visit. The utilitarian value had insignificant correlation with buying frequency and average expenditure per visit.

5. Discussion and conclusion

This research attempted to measure consumer values of eating-out—the utilitarian and the hedonic value—and to explore the relationship between consumer values of

Table 3

Correlation results of consumer values of eating-out and buying behaviors of fast food restaurant

Buying behaviors	Hedonic value	Utilitarian value
Buying frequency	0.1895***	0.0073
Expenditure per visit	−0.0756	−0.0457

*** $p < 0.001$.

eating-out attributes importance and buying consumer behaviors in fast food restaurants. According to the correlation results, the hedonic value had a significant correlation with mood, quick service, cleanliness, location, promotional incentives, taste of food, variance of menu, employee kindness, reputation, and facilities while the utilitarian value correlated well with price, quick service and promotional incentives. Also, the hedonic value of eating-out had an insignificant correlation with customer buying frequency in fast food restaurants.

As price, quick service, and promotional incentives are more functional and economical attributes of fast food restaurants, they have a significant relationship with the utilitarian value of eating-out. Attributes of quick service and promotional incentives were correlated with both values. This means that the quick service is considered to be a basic attribute of a fast food restaurant whatever the values, and promotional incentives including special discounts, events, and sales promotion appeal to both values. Korean fast food restaurants, in fierce competition with international players, issue various affiliation cards for the promotions and offer many kinds of price discounts.

A more interesting result is that there is a significant relationship between the hedonic value of eating-out and customer buying frequency at fast food restaurants. It is the result of a cultural factor rather than a measurement mistake of the hedonic value. Generally, a fast food restaurant is seen considered as an economical and convenient place to eat out. The utilitarian value is more related to buying frequency in fast food restaurants. However the hedonic value, not the utilitarian value, significantly correlated with buying behavior in Korean fast food restaurants. This means that fast food restaurants are regarded not just as eating-places but also as pleasant and social places in Korea. Even the standardized and efficient appearance of fast food restaurants seems to be exotic and new for Koreans. Although the price of fast food is not cheap, most young Korean people, the largest customer group, consider fast food restaurant as an enjoyable and proper place of eating-out and meeting. This is consistent with the fact that Koreans seldom visit fast food restaurants alone. As the hedonic value of eating-out is more related to buying frequency than the utilitarian value, Korean fast food restaurants should be more fun, enjoyable, pleasant and playful than economical or functional in order to increase sales. Marketing strategies in Korea should focus on mood, various menu items, kindness of employees, reputation and image, and facilities rather than price. Though the fast food restaurant is a symbol of global standardization, marketing strategies for the local market should adopt cultural traits for eating out.

Present research is in the exploratory stage, and this study presents several challenges with respect to theory building and method. The lack of representativeness of the survey is a limitation of the study due to convenience sampling, and more scientific sampling will be required for further research. Consumer value scales of eating-out should be tested in various foodservice industries. Intermediate variables (e.g. consumer's age, income level, food preference taste, and store location, etc.) between consumer values of eating out and buying behaviors in fast food restaurants should also be further addressed. Unfortunately, this study could not suggest a causal model to incorporate these values and variables related to eating-out. The contribution of the present work will be made clearer through that effort.

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