



# A Relationship between Perceived Behavioral Control, Customer Satisfaction, Subjective Norm, Belief, Attitude and Repurchase Intention toward Wine Consumption of Generation Y

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## **Abstract**

*Repurchase intention is a very important factor for marketers, investors and management as a drive to increasing market share, developing marketing strategies and expanding their business which will eventually bring greater profits.*

*This research is mainly focused on “A Relationship between Perceived Behavioral Control, Customer Satisfaction, Subjective Norm, Belief, Attitude and Repurchase Intention toward Wine Consumption of Generation Y”.*

*The primary purposes of this research are to examine a relationship between Generation Y’s perceived behavior control, customer satisfaction, subjective norm, beliefs, attitude, demography and repurchase intention at casual dining restaurants in Bangkok. The tool used for data collection is by means of questionnaire. Moreover, the data are analyzed by Pearson Coefficient Correlation, ANOVA, and Independent Sample-t-test. The 402 questionnaires were collected from the respondent aged between 20 years old to 34 years old and consuming wine in casual dining restaurants located in Thonglor, Ekamai, and Nana.*

*The researcher found significant relationships of perceived behavior control, customer satisfaction, subjective norm, beliefs, and attitude toward repurchase intention. Following the hypothesis testing of demographic factor, there is a difference in gender and education levels with Generation Ys’ repurchase intention. However, household income is the only one factor that does not show any difference.*

*Keywords- Perceived Behavior Control, subjective norm, belief, attitude, customer satisfaction, repurchase intention and generation*

## **INTRODUCTION**

Repurchase intention refers to the customers’ investigation of the opportunity to repurchase a product or service in the future from the same firm (Patterson *et al.*, 1997). It is probably the most important concept in marketing (DeSouza, 1992; Fornell, 1992). It can increase profits and market share in the long term. As well, Jones and Sasser (1995) stated that customer repurchase intention is the most important goal for a company or business success. Moreover, Rosenberg and Czepiel (1984) stated that to obtain a new



customer it costs a company six times as much when compared to the cost of existing customer retention. As a result, businesses must keep existing customers by making them repurchase products or services (DeSouza, 1992).

Wine consumption in Thailand has continuously grown and the market has grown increasingly competitive. More and more wine businesses are seeking new opportunities to sell their products and increase customer repurchase intention. One of the best strategies to be successful and stay ahead of competitors in the wine business is to understand the repurchase behavior intention from various customers. Cross generations are another reason for wine business to be aware because each generation will have its own behavior (Fountain and Lamp, 2011). Hence, firms that are doing wine business should focus on retaining their existing customers and turning them into returning customers.

### **GENERATIONAL COHORT**

Generation Y, Millennial Generation or Echo Boomer is the cohort who was born in between 1978 to 1994. This group will play an important role in the wine business in the very near future since they seem to spend their money largely on wine consumption (Peskest, 2006; Halstead, 2006; Kevany, 2008). Therefore, if generation Y is becoming as a new wine consumer segment, it is necessary for restaurant operators to understand how this generation makes an alternative way to purchase wines and what behaviors contribute to their purchase decisions.

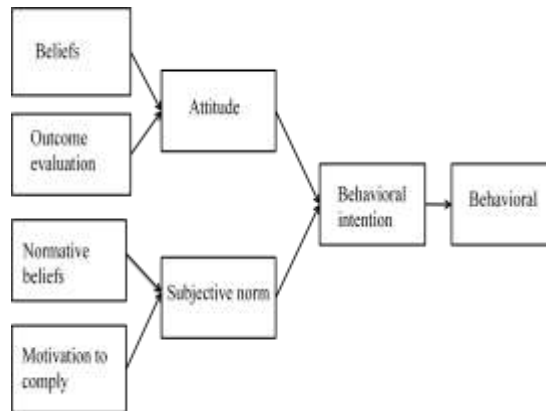
### **LITERATURE REVIEW**

Based on the conceptual framework of this study, the dependent and independent variables are developed based on many major theories for instance The Theory of Planned Behavior (TPB). TPB is a psychological model used in analyzing human behavior. Ajzen (1985; 1991) stated that it is the most appropriate predictor of individual behavior in any situation to perform a given behavior. Conner *et al.* (1999); Karijin (2007) supported that the Theory of Planned Behavior is a foundation of supporting consumer food choices. TPB explained human behavioral intention in three elements: belief, attitude, subjective norms, and perceived behavioral controls (Ajzen, 1991). More specifically, to predict whether an individual has an intention to perform a behavior in question, it is important to learn if the individual is favorable of performing it (attitude), how much social pressure is on the individual (subjective norm), and whether the individual has resources to perform a given behavior (perceived behavioral control). Secondly, customer satisfaction is another major factor that influences customer behavior

intention toward restaurants or businesses. For example, Kivela *et al.* (1999) and Namkung *et al.* (2007) noted that dining satisfaction and customer satisfaction are considered positively related to behavioral intention associated with mid-to-upscale restaurants. Furthermore, Kim *et al.* (2009) supported that customer satisfaction positively influences returning intention and word-of-mouth of a restaurant. Thus, a high quality restaurant/hotel experience should be the main goal of restaurant businesses when attracting customers (Hoare and Butcher, 2007; Jensen and Hansen, 2007). Once customers are satisfied with food or service in a restaurant, they tend to come back again, thereby leading to an increase in profits (Gupta *et al.*, 2007). Finally, demography is significantly linked to customers in the market (Bearden *et al.*, 2004). Therefore, demographic factors are mainly important for marketers to segment customer groups in a wide market.

## CONCEPTUAL FRAMEWORK

**Figure 1: The Research Model of the Theory of Reasoned Action**

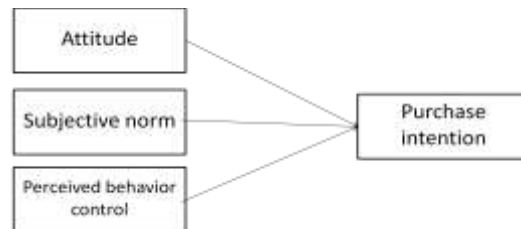


Source: James, S. M., & Christodoulidou, N. (2011). Factors influencing wine consumption in Southern California consumers, *International Journal of Wine Business Research*, 23(1), 36-48.

Based on Jame *et al.* (2011), it indicated that the Theory of Reasoned Action (TRA) has been embraced to evaluate factors influencing the wine drinking intention in Southern California by performing a cross-cultural comparison with the Theory of Reasoned Action. The results indicated that attitude with the correlation of 0.485 and subjective norm with the correlation of 0.424 were a good indication to forecast wine consumption intention in Southern California. The most significant result of the investigation stated that Southern California wine drinkers were concerned with the reason of health benefits from drinking wine.

In addition, Olen *et al.* (2012) studied consumer purchases of organic wine in the US through the element of values of environmental protection, hedonism impact, and various beliefs toward the organic wine. Olen *et al.*'s model was identified into three major parts which consisted of, firstly, two variables starting with the individual's value, secondly, five constructs representing beliefs and outcomes of variables and finally, the part of purchase behavior with organic wine. The hypotheses testing results of the concept of beliefs of which organic products provide environmental benefits, organic products are worth a premium price, and risk reduction strategies are necessary when purchasing wine are directly related to organic wine purchase, showed a positive significant relationship with organic wine purchasing.

**Figure 2: The Research Model of the Theory of Planned Behavior**



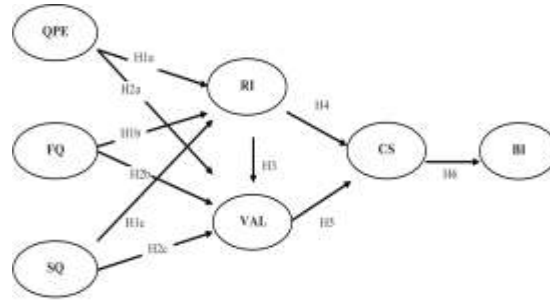
**Source:** Alam, S., & Sayuti, N. (2011). Applying the Theory of Planned Behavior (TPB) in halal food purchasing, *International Journal of commerce and management*, 22(1), 8-20.

Alam and Sayuti (2011) studied the Theory of Planned Behavior (TPB) of halal food purchasing behavior from Malaysian. Three hypotheses of this study which consisted of three independent variables which were attitude, subjective norms and perceived behavior controls, and one dependent variable which was purchase intention. The results demonstrated that attitude, subjective norm and perceived behavior controls had a positive significant relationship with halal food purchase intention in Malaysia.

Ryu *et al.* (2012) studied about the influence of the quality of the physical environment, food, service on restaurant image, customer perceived value, customer satisfaction and behavioral intention. The purpose of this research was to examine the impact of three elements of food service quality dimensions (physical environment, food, and service) on restaurant image, customer perceived value, customer satisfaction, and repurchase intentions. The researchers found that all of the three elements of foodservice quality dimensions (physical environment, food, and service) were significant factors of restaurant image. Moreover, the researchers indicated that the restaurant image is a significant determinant of customer perceived value. Also, customer perceived

value was the significant predictor of customer satisfaction. In addition, the customer satisfaction is positive impact toward repurchase intention.

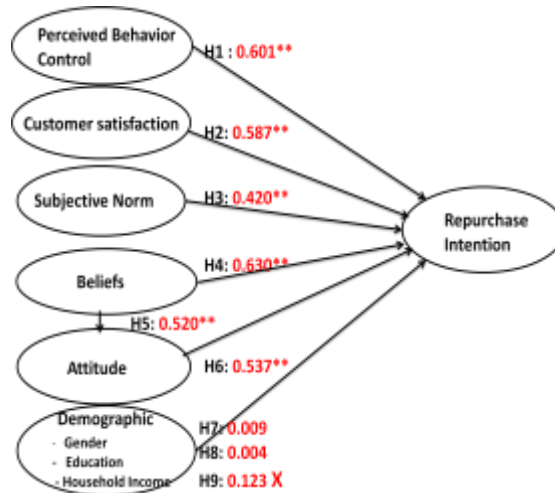
**Figure 3: The Research Model of Customer Repurchases Intention**



Notes: QPE = quality of physical environment; FQ = food quality; SQ = service quality;  
RI = Restaurant image; VAL = customer perceived value; CS = customer satisfaction;  
BI = behavioral intentions

**Source:** Ryu, K., Lee, H., & Kim, W. (2012). The influence of the quality of the physical environment, food, and service on restaurant image, customer perceived value, customer satisfaction, and behavioral intentions, *International Journal of Contemporary Hospitality Management*, 24(2), 200-223.

**Figure 4: Modified Conceptual Framework about a relationship between perceived behavioral control, customer satisfaction, beliefs, attitude, and repurchase intention toward wine consumption of generation Y.**



## RESEARCH METHODOLOGY

Descriptive research and Self-administered questionnaire is a survey in which respondents take responsibility for reading and answering the questionnaires, located at



Nana, Thonglor and Ekamai. Also, the target population for this study is the Thai Generation Y who have repurchased wine experiences and who have a repurchase intention in near future are both applied in this investigation. Screening question in this study is to find respondents who are eligible as the target group being 20-34 years old is also provided in the questionnaires.

**Table 1: Table of Questionnaire for each Area**

Name of areas	Number of Questionnaire
1. Nana	134
2. Thonglor	134
3. Ekamai	134
<b>Total</b>	<b>402</b>

## **RESEARCH INSTRUMENT/ QUESTIONNAIRE**

The questionnaire for this study consisted of five parts. In order to distinguish that the respondents have an intention to repurchase wine or not, a screening question is the tool in the first part of the questionnaire. A Semantic differential scale was used to examine the attitude affecting repurchase intention factors in the second part. The third part attempts to find out beliefs, subjective norm, customer satisfaction and perceived behavioral control by using a Five-Points Likert scale. As well as the fourth part elicits repurchase intention. The last part enquires demography and general information.

## **HYPOTHESES TESTING**

Based on the research objectives, after analyzing the hypotheses, all the null hypotheses were rejected. The results are summarized as follows:

Hypothesis 1: At 0.601, it means that there is a strong positive relationship between perceived behavioral control and repurchase intention. It can be concluded that the two variables move in the same direction. In other words, when the customers have high perceived behavioral control, they tend to have high repurchase intention toward wine consumption.

Hypothesis 2: At 0.587, it means that there is a moderate positive relationship between satisfaction and repurchase intention. This indicates that the two variables move in the same direction when a causal dining restaurant makes customer highly satisfied, and, at the same time, the customers have high repurchase intention.



Hypothesis 3: At 0.420, it means that there is a moderate positive relationship between subjective norm and repurchase intention or the researcher can conclude that the two variables move to the same direction.

Hypothesis 4: At 0.630, it means that there is a strong positive relationship between belief and repurchase intention. This can be concluded that when the customers have a positive belief, the degree of repurchase intention toward wine consumption is high.

Hypothesis 5: At 0.520, it means that there is a moderate positive relationship between belief and attitude. It can be concluded that these two variables move in the same direction or if people have positive belief toward wine, their attitude will be in line with such belief.

Hypothesis 6: At 0.537, it means that there is a moderate positive relationship between attitude and repurchase intention, which indicates that the two variables move in the same direction when the customers have a positive attitude toward wine consumption, thereby resulting in the high degree of repurchase intention.

## **RESULTS AND CONCLUSION**

The majority of respondents are 204 or 50.7% of female. The highest percentage of education level was Bachelor's degree or 243 respondents (60.4%). The great number of respondent's household income level was over 50,000 Baht or 134 respondents (33.3%). The highest percentage of frequency from respondents consumed wine was once a month or 189 respondents (47.0%). The majority type of wine consumed is red wine at 244 frequency (60.7%). The average wine price of respondents per bottle preferred is 1,001- 2,000 Baht or 210 (52.2%). The Pearson Correlation Coefficient, ANOVA and Independent sample-t-test were applied to test the relationship of independent variables and dependent variables. The outcomes of hypothesis testing by SPSS have showed that eight of total nine null hypotheses are rejected and one null hypothesis failed to reject.

## **RECOMMENDATIONS**

Based on the research hypothesis 1, people in wine business should implement sales promotion strategy to attract this cohort of customers since they have the capabilities to consume wine in casual dining restaurants. For example, they should hold the events (such as wine testing, wine dinner and wine buffet) to make the target customers known about their casual dining restaurants. Since Generation Y lack wine



knowledge, wine businessmen should give and advertise more information of wine targeted at customers by hiring “sommelier” who has a lot of wine knowledge and skills to perform the task. These strategies can raise the wine consumption and repurchase intention.

Based on the research hypothesis 2, people who want to enter the casual dining restaurant business including wine bars and wine corners or who have already been in this kind of business should heavily place their emphasis on customer satisfaction since according to the research result it is correlated to repurchase intention. To satisfy customers who visit casual dining restaurants, casual dining restaurant owners have to enhance overall service performance, provide relaxing atmosphere, create emotional response and offer attractive sales promotion. For overall service performance enhancement, the staff should be well trained and equipped with basic knowledge of wine, and service patterns must be standardized. In addition, the casual dining restaurants should offer sales promotion that can attract the customers to repurchase wine at casual dining restaurants such as special discount.

Based on the research hypothesis 3, the researcher focuses on family, friends or co-workers and important people that can influence Generation Y’s repurchase intention. It is essential to pay attention to specific personal relationship or reference groups that are salient or important to behavioral intention (Kallgren *et al.*, 2000).

Based on the research hypothesis 4 and 5, business should create the strategy in response to such belief such as providing food and wine matching in menu (which food goes with which wine). Also, casual dining restaurants/ wine businesses/ wine marketers must not run away from promoting wine's diverse range of styles, types, varieties, regional taste differences and vintage variations. Moreover, to break down the stereotypes that wine is not good for health. The researcher suggests that to create a positive awareness toward the health benefits of wine drinking as Chang (2012) indicated that “Drinking a daily glass of red wine is not only good tastes but it is also good for the bacteria lining your large intestine that can benefit your health.” As well, Mayo clinic (2012) reported that “Red wine, in moderation, has long been thought of as heart healthy. The alcohol and certain substances in red wine called antioxidants may help prevent heart disease by increasing levels of “good” cholesterol and protecting against artery damage.” However, the appropriate level of drinking wine should be awarded such as enjoy a glass of red wine with evening meal.

Based on the research hypothesis 6, business should reinforce Generation Y’s attitude by coordinating tastings and free samples, and offering quality wines at



affordable prices will entice this generation of consumers to change their behaviors and repurchase wine which should increase sales and profits. Besides, the restaurants should have the posters illustrating famous people or celebrities involved with wine attached on the restaurants' walls and by inviting special, famous guests such as celebrities in an event.

Based on the research hypothesis 7, 8 and 9, as the result shows that female has slightly higher percentage of wine repurchase than male, the researcher would like to suggest that wine business should pay attention on male by creating new promotion or special discount such as "Men Night". At the same time, female market should be remained by adding some new promotions. Moreover, different education levels are the factor that affect repurchase intention of Generation Y, it can be linked to higher education may have more knowledgeable and understand nature of wine than respondents who have lower education. However, household income levels in this study are not different in repurchase intention which may cause by the same generation and they like to select at the same or similar location. Then, they may have similar life style.

#### **FURTHER RESEARCH**

Here are some the recommendations for future study in other aspects that have yet been explored:

Household income: according to the current research results, it is found that even though their household income is not that high, they can afford to re-consume high-priced wine in casual dining restaurants. The aspect that should be deeply focused is what factors influence Generation Y to make a wine repurchase in casual dining restaurants.

- Place of origin/ winery/ wine maker: the current research does not include such factors to be studied. Interested researchers can examine in the area of whether place of origin/ winery/ wine maker influences Generation Y's repurchase intention toward wine consumption.
- Generation Z: based on all the factors in the current research, is there any difference between Generation Y and Generation Z toward wine consumption.
- Future research endeavors can expand the current research to cover wine consumption in fine dining restaurants based on the variables in the present study



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