ENCORE! ENCORE! : THE SHOW GETS A STANDING OVATION
BUT WILL YOU BE BACK?

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Abstract

The crowd roars with excitement! The show was a huge success! Critics review was positive! Is that enough for you to go back again to the same show? To another show? Next week? Next month? This paper examines and models the drivers of Repurchase Intention (RI) in a cultural performing arts setting. Unlike most research in the cultural arts this paper adopts a service marketing paradigm rather than a dramatic arts approach. In services marketing several drivers have been identified as predictors of RI in other service settings including value, service quality, customer satisfaction and emotion. Each has been proposed to have differing levels of direct and indirect effects on RI in the contexts examined. This paper aims to apply and examine these customer models of RI in a cultural arts setting to gauge what it is that customers use to evaluate their experiences in a cultural arts setting. Using a survey instrument generated from both known scale items and generated items research was conducted on a sample of 273 candidates. The pool of questions used for testing incorporates the most recent themes of research in services. This paper reports that service quality and satisfaction drive repurchase in this setting and that value mediates the relationship of show experience to satisfaction. This research supports the notion that customers determine their repurchase intent based on how they have been treated overall rather than based on the perception of the show. This research informs performing arts research of the importance of delivering service quality particularly functional quality and value for money experiences.

Introduction

The aim of this paper is to analyse the drivers of Repurchase Intention (RI) in a cultural setting. Unlike most research in the cultural arts this research adopts a service marketing paradigm rather than a dramatic arts approach to examine the drivers of repurchase. By embracing a services marketing paradigm this setting can be examined from a new perspective. Services researchers have identified several drivers as predictors of RI in service setting. Factors such as the value (V) (Caruana, Money & Berthon, 2000) and Customer Satisfaction (CS), (overall) service experience (Danaher & Matteson, 1994) and service quality(SQ) (Zeithaml, Berry, Parasuraman, 1993; Bahia, Paulin & Perrien, 2000) have been proposed to have differing levels of direct and indirect effects on RI and the precursors of RI. This paper examines customer attitudes to these factors in a cultural arts setting using a survey questionnaire. This paper aims to extract the customer attitudes by focusing on both situational process and outcome constructs in a performing arts setting, including service quality, service delivery, service experience, price, value for time and money in the survey instrument. In particular the construct of value has often been one-dimensional, measuring either time or money. This paper uses a multi-dimensional measure of value examining the perspectives of time and money. By gaining a better understanding of the drivers of both the antecedents of RI such as value, show experience, service quality, satisfaction and repurchase intention itself, organizations can design products, programs and program delivery which best retain and enhance audience numbers and provide services which assist in developing audiences for long term survival.
Cultural Performing Arts

A performing arts service offering must provide a primary show experience while simultaneously fulfilling the cultural and artistic goals of patrons and contributing to education and to the overall community, economy, tourism and well being (Caldwell and Woodside, 2003; Moses, 2001). Furthermore, the performing arts sector must compete in a complex arena of entertainment, particularly against movies and sport. The majority of performing arts organizations operate as non-profit organizations and are required to be accountable for ‘scarce’ fund allocation. In more recent times government support for the arts has reduced as governments look for ways to encourage corporate business to sponsor and support the arts. One of the major strategic challenges for cultural arts organizations is to balance all the economic issues and constraints such as the allocation of scarce resources with the importance of meeting artistic and cultural goals (Sullivan Mort et al, 2003). As Rentschler et al (1999) identified, ‘innovative’ marketing practices adopted by Australian arts organisations include such basic actions as coordinating the marketing mix, conducting some rudimentary market segmentation analysis and seeking new funding sources through such things as sponsorship arrangements. There is a need for application of more advanced concepts from services marketing to be applied to this area.

Literature Review

In order to comprehensively understand the current opinions in the research area of RII in services, the extant literature focusing on the construct of RI itself, and the main predictors of repurchase intention, will be examined. These include value, service experience, service quality and customer satisfaction. As the aim of this research is to explore repurchase intent in this context it is both productive and critical to understand the current literature on repurchase intent in services and then test how it will apply in the cultural performing arts.

Repurchase Intention

RI is defined as the customers decision to engage in future activity with a service provider and what form this activity will take. Zeithaml (1996) has suggested two types of positive repurchase intention: first, intent to re-buy and second, intent to engage in positive word of mouth and recommend. RI is the resultant behaviour of customer’s attitude to the performance of the consumed service. In other terms this could be referred to as the transactional evaluation of the show experience that evaluates the global factors such as performance, satisfaction, perceived quality and value. Customer satisfaction has long been considered the stronger or main predictor of RI (Patterson and Spreng, 1997). However several other factors have received some attention in recent research. These include mood and past experiences (Liljander & Mattsson, 2002), affect and value (Patterson, and Spreng, 1997; Cuarana, Money and Berthon, 2000), convenience (Patterson & Spreng, 1997; Ryan, Rayner & Morrison, 1999; Butcher, Sparks, O’Callaghan, 2002), customer familiarity (Soderlund, 2002), and service failure and recovery (Anderson & Sullivan, 1993). Each of these has been shown to have some influence on RI. However none of these relationships have been shown to be as strong an influence as V (Sweeney et al, 1999), SQ (Skogland and Siguaw, 2004) and S (Sweeney et al, 1999). V has been posited as a direct antecedent of loyalty and RI (Ryan, Rayner & Morrison, 1999) and indirectly as a moderator of service quality and satisfaction (Caruana, Money & Berton, 2000). Furthermore, V has been shown to be entirely mediated through CS to RI (Patterson & Spreng, 1997). These relationships reveal a complex set of possible relationships in any given context. This research has drawn the following hypothesized pathways. Each will be discussed in more depth during the paper. H1.CS is positively related to RI; H2: SQ is positively related to RI; H3: Show experience is positively related to RI. H4: V is positively related to RI. H5: Show experience is positively related to V H6: SQ is positively related to V, H7. SQ is positively related to CS H8: Show experience is directly related to CS H9. SQ is directly related to CS. The paper proceeds by elaborating each of these relationships. First, the advanced concept of value for time and money is discussed, second the paper examines show experience, third service quality will be discussed and finally satisfaction is covered.
Value for Time and Money

The construct of perceived value has been defined in many ways. Voss, Parasuraman and Grewal (1998) refer to perceived value as the “quality given price” and “price given quality” relationship and suggest that price impacts the quality and customer satisfaction evaluation. Fornell and Johnson (1993) refer to perceived value as the perceived level of service quality suggesting these two constructs as one in the same. Moreover, value has been defined as the value received by customers for the price of the service exchanged or the overall utility of a product based on the perceptions of what is received and what is exchanged (Zeithaml, 1981). Perceived value is also shown to have strong relationship to perceived risk. Consumer’s perceived risk has been shown to mediate the quality value relationship and also impact on the perceived quality, price, risk and willingness to buy (Sweeney et al, 1999). The value definitions of an encounter are considered to be an individualistic measure to each customer. However researchers have identified four general areas. These include low price, receiving what you want, quality for price and receiving for what you have paid or given (Zeithaml et al, 1988; Caruana, Money & Berthon, 2000). Further to this, value has been suggested to have a direct and encounter specific input to satisfaction (Rust & Oliver, 1994) and in certain settings it plays a moderating role on service quality and satisfaction relationships (Caruana et al, 2000). The items measuring V in this paper have focused exclusively on temporal utility and financial utility. At this point other risk measures and perceptions have been incorporated into other constructs; functional risk is included in safety in the service quality construct and emotion incorporated in sensory and psychological risk. These arguments support the hypotheses that value is driven by show experience and quality. Thus the following are hypothesized H5: Show experience is positively related to V H6: S Q is positively related to V.

Service/Show Experience

When discussing the entire experience from a service operations perspective, the totality of the transactional experience is called the ‘service experience’ of the customer (Tseng, Qinhai & Su, 1999). The service experience is the actual experience or transaction received by the customer. Many performing arts organisation have a strong tendency to focus their offerings on the delivery of artistic value of the show and assume they can overlook peripheral transaction attributes such as functional amenities. In order to prudently examine this assumption, it is important to separate out the modes. Therefore, the show experience (SE) construct refers to the core service of ‘the show’ and the technical quality of the delivery of the show. The SE construct differs from the SQ construct in that it is transaction specific and specific to the consumption of the particular service and the specific description of the service offered (Silvestro et al, 1994). Including both constructs in the model will ensure that both transactional specific and long-term cognitive expectations and cumulative quality expectations are examined. As service experience is a transactional measure it can be hypothesized that in this context of the performing arts that SE will be positively related to V (H5), S (H8) and RI (H3).

Service Quality

As previously discussed, SQ is the level of desired performance measured against actual performance; the customer measure of superiority or excellence. Unlike customer satisfaction and service experience, service quality assessment does not require familiarity with the service and it is not transaction specific (Oliver, 1980; Zeithaml, Berry, Parasuraman, 1988; Brady & Robertson, 2001). It is evident from the research that SQ and CS are closely related (Henning-Thurau & Klee, 1998). Three causal relationships of SQ and CS have been presented in the research and consensus on the dominance of one relationship is weak. It has been suggested that findings in the research may be as a result of the service experience or the customer context where the research was conducted (Bahia, Paulin & Perrien, 2000). Henning-Thurau and Klee (1997) propose the three relationships as service quality as an antecedent to customer satisfaction, customer satisfaction as an antecedent to service quality and the two constructs as one in the same. Bahia, Paulin and Perrien (2000) reiterate two of these causal relationships that of antecedence but argue that service quality and customer satisfaction are clearly two distinct constructs. Value has been found to moderate the service quality and satisfaction relationship (Caruana, Money & Berthon, 2000). At this stage there is limited discussion of the structure of service quality in a performing arts setting. As the role of service quality in the repurchase equation will inform service design, advancing the understanding of this construct will be an advantage to performing arts organisations.
Customer Satisfaction

CS is the resultant attitude of experiencing a service and comparing that encounter with the expected service (Oliver, 1980). CS applies to both tangible and intangible goods and can be defined at two separate levels, transactional or cumulative (Jones & Suh, 2000). While it is generally agreed that expectancy dis-confirmation is an antecedent of satisfaction, empirical support for it has been mixed (Yi, 1991). There is a debate as to whether expectations directly affect satisfaction or whether the main antecedent of CS are perceived quality (Bahia, Paulin and Perrien, 2000; Churchill & Surprenant, 1982; Oliver & DeSarbo, 1988) with expectations changing throughout the encounter as a response to other external stimuli (Hamer, L., Liu, B and Sudharshah, 1999) factors may in fact mediate the relationship between expectations and evaluations (Bahia, Paulin & Perrien, 2000) and offer a more realistic and dynamic representation of customer satisfaction evaluation (Bahia, Paulin & Perrien, 2000). The antecedents of perceived value, expectations and service quality have been extensively studied in the research as antecedents to customer satisfaction (Patterson, Johnson & Spreng, 1997; Fornell & Johnson, 1993; Spreng & Olshavsky, 1993; Zeithaml, 1985 Mittal, Ross & Baldarsare, 1998; Yi 1991; Campbell & Verbeke, 1994; Henning Thurau & Klee, 1997; Zeithaml, Parasuraman & Berry, 1985; Zeithaml, Berry & Parasuraman, 1993) and generally researchers have concluded these dimensions have a direct and positive effect on overall satisfaction. It is therefore hypothesised that H7. V is positively related to CS; H8. SE is positively related to CS and H9. SQ is positively related to CS. Figure 1 represents the hypothesized relationships and the conceptual models for repurchase intention in a performing arts setting.

![Figure 1 Proposed Model](image)

Data and Method

Survey Instrument and Operationalisation of Constructs

As per scale literature recommended scaling procedures were followed (Bearden & Netemeyer, 1999; Zikmund, 1997; Cosenza & Davis, 1985). A pool of items was generated from the literature and construct definitions and reviewed using judgment screening panel consisting of three members (2 Phds, 1 advanced Phd student). The survey instrument was based on the extant literature and multi-item scales were developed to measure each of the main constructs. All items are scored on a six point Likert-type scale, with scales anchored by strongly disagree and strongly agree. Initial items were generated from the construct definitions and known scales. The screening panel examined the generated items and identified the corresponding construct from a theoretical perspective to ensure the items reflected the literature. The items were further examined for correctness in development, scale appropriateness, content and representation on the domain concept presented. Each item remained if a majority of experts assigned each item to an agreed construct and agreed on outcomes. Items were altered according to majority instruction. The aim of the purification study was to eliminate any unusable item and assess understanding of the content wording.
The Sample

To undertake this study, a survey questionnaire was collected from 273 candidates in the CBD of a metropolitan area around active social precincts. As the objective of this study was to establish why patrons do and do not reattend performing arts experiences, it was seen as logical to approach a sample from persons pursuing social and entertainment activities. The sample size of 273 respondents was made up of 156 women and 117 men. Respondents were aged from between 19 years to 65+ years. The candidates were screened for at least a one-off attendance at a performing arts experience in the last three years. Those that had not attended in this time period were rejected from the sample.

Assessment of Overall Measurement Models Fit

Each construct was tested for fit using AMOS 5.0 and each model was found to have sound fit. Each model was found to be consistent with data with GFI >0.9 for all constructs (Tanaka and Huber, 1989), RMSEA close fit to 0.05 for all constructs (Browne and Cudeck, 1993), P value of > 0.05 and CMIN < 3 (Carmines and McIver, 1981).

Structural Model Fit and Parameter Estimates

After the measurement model was confirmed the structural model was tested using Amos 5.0 to ensure model fit. The significant chi-square statistics might have been expected given the large sample size (Anderson and Gerbing, 1988), but the other fit indices provide evidence of adequate fit to the sample data with the ratio CMIN/df 1.840 being below three (Carmines and McIver, 1981), GFI 0.933 (Tanaka and Huber, 1989), AIC 227.179 (Akaike, 1987) and a RMSEA measure of approximately 0.058 (Browne and Cudeck, 1993) indicating a close model fit (Browne and Cudeck, 1993). Standardized regression weights and t-values for the model are shown in Table 1.

Table 1. Standardized regression weights for structural model

<table>
<thead>
<tr>
<th>Hypothesis relationship</th>
<th>Beta Estimate</th>
<th>SE</th>
<th>CR or t value</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 Repurchase intention &lt;---satisfaction</td>
<td>0.803</td>
<td>0.150</td>
<td>5.356</td>
<td>***</td>
</tr>
<tr>
<td>H2 Repurchase intention &lt;---service quality</td>
<td>0.080</td>
<td>0.055</td>
<td>1.454</td>
<td>0.146</td>
</tr>
<tr>
<td>H3 Repurchase intention &lt;---show experience</td>
<td>0.028</td>
<td>0.063</td>
<td>0.447</td>
<td>0.655</td>
</tr>
<tr>
<td>H4 Repurchase intention&lt;---value for time and money</td>
<td>0.087</td>
<td>0.144</td>
<td>0.603</td>
<td>0.546</td>
</tr>
<tr>
<td>H5 Value to time and money&lt;---show experience</td>
<td>0.287</td>
<td>0.056</td>
<td>5.096</td>
<td>***</td>
</tr>
<tr>
<td>H6 Value to time and money&lt;---Service quality</td>
<td>0.437</td>
<td>0.044</td>
<td>9.880</td>
<td>***</td>
</tr>
<tr>
<td>H7 Satisfaction&lt;---value to time and money</td>
<td>0.724</td>
<td>0.099</td>
<td>7.286</td>
<td>***</td>
</tr>
<tr>
<td>H8 Satisfaction&lt;---show experience</td>
<td>0.099</td>
<td>0.061</td>
<td>1.625</td>
<td>0.104</td>
</tr>
<tr>
<td>H9 Satisfaction ---- Service quality</td>
<td>0.037</td>
<td>0.055</td>
<td>0.674</td>
<td>0.500</td>
</tr>
</tbody>
</table>

*** =<0.00

T-values in excess of 1.96 were accepted as significant (Anderson and Gerbing, 1988). The results indicate that CS has a positive relationship with RI (beta = 0.803; t = 5.356), supporting HI (beta = 0.724; t = 7.286). SE (beta = 0.055 t = .1.454), value (beta = 0. 087; t = .447) and SQ (beta = 0. 028; t = .447) were found not to be significant predictors of RI rejecting H2, H3 and H4. Moreover, SE (beta = 0. 287; t = 5.096) and SQ (beta = 0. 437; t = 9.880) were found to be significant positive predictors of V -value for time and money - supporting H5 and H6 respectively. H7 found V to be a positive predictor of CS (beta=.724 and t=7.286) These constructs were found not to be significant predictors of CS rejecting H8 (beta = 0 .099; t = 1.625) and H9 (beta = 0 .037; t = 5.000). In sum, this research found H1, H5, H6 and H7 were supported. This presented positive relationships between SQ and V, and SE and V, V and CS, and CS and RI.

Discussion: The Model

SQ and SE were proposed as independent variables in this research. This was confirmed by the measurement model and discriminant analysis showing each as distinct constructs, allowing a clearer examination of the drivers of value in a performing arts setting. The dependent variables were perv, CS and RI. The research found (H1) S to be a significant predictor of RI, supporting previous research by Patterson and Spreng (1997). SQ was found to have no direct positive relationship with RI (H2), in this performing arts context, suggesting the findings of Skogland and Siguaw (2004) that found service
quality a predictor of RI in a hospitality setting did not apply in this context. SE was also found to have no direct influence on RI (H3). This finding suggests that managerial focus on the show as the key factor in repurchase needs to be reviewed. This finding would suggest that it would be more prudent for managerial efforts to undertake a broader approach to delivering the ultimate experience. Like most other services the core show product is only part of the consumers’ perceived entire experience and other factors, such as supplementary and facilitating services, play an important role. V was found to have no direct relationship with RI (H4), in conflict with Ryan, Rayner & Morrison (1999) who suggest value as a direct antecedent to RI. A direct relationship of V with CS (H7) was found, conflicting with Cuarana, Money and Berthon (2000) who found value an indirect effect, a moderator, of service quality and satisfaction. Furthermore, this research supported V to be entirely mediated through CS to RI (H7) (Patterson & Spreng, 1997). Moreover, this finding supported aspects of Ryan, Rayner & Morrison (1999) and Butcher, Sparks and O’Callaghan (2002) that suggest time convenience as an important predictor of CS. A strong relationship of V with CS was found supporting Sweeney et al (1999). SQ and SE were found to have a direct relationship with V (H5 and H6), defined as the “quality given price” and “price given quality”. These findings support Voss, Parasuraman and Grewal (1998) and Fornell and Johnson (1993). SQ and SE were found to have no direct relationship with CS. These relationships were found to be mediated through value to satisfaction. This findings advances Spreng & Olsavsky (1993), and Zeithaml, Berry & Parasuraman (1993) in this context, who have all suggested a direct relationship of service quality and customer satisfaction may exist. The research aimed to find out whether the independent variables of SQ and SE had a direct relationship with RI or whether there was in fact a set of functions and mediating relationships that predicted RI. Interestingly, the research found the independent variables were a function of V and CS mediated the relationship of V to RI. This model suggests that a sequence of relationships exists in the determination of positive repurchase intention, in this context.

After fully understanding the significance of the pathways we can now make the following statements. Satisfaction has a direct and positive relationship to RI. The relationship of value to RI is mediated by satisfaction. This research suggests that consumers are basing a value perception on their judgment of the show experience and service quality and this perceived value drives their level of repurchase. In particular this model uncovers both the show (show experience) and service quality variables such as assurance, reliability and accessibility as important predictors of the consumers’ measure of value. It suggests that the price quality perception of value plays an important role in this service context. Strategically managers need to identify specific areas of concern to their patron that drive their value judgments and invest in marketing functions to support their delivery. These findings suggest that managerial focus should undertake a balanced approach to delivering the show and to the delivery of other aspects of the entire experience. Like other services, aspects other that the core product play an important role in customers assessment of the performing arts experience. Artistic managers, marketing managers and venue managers need to take a holistic approach to the design and delivery of the overall experience ensuring emphasis on venue.amenities and service personnel.

Conclusion

This paper proposed a model and tested a set of relationships for RI in the context of the performing arts. It is evident by the fit of the overall model and examination of significant paths that a credible explanation for RI in the performing arts has been established. Manipulating show experience and service quality has potential to alter the value equation of consumers and provides a conduit to satisfying consumer’s needs. This research positions the show experience as an important part of the value equation yet not as a direct impact on satisfaction or RI, illuminating the role of the show for both practitioners and researcher in this field. At this stage this research has not examined differing show types, genres and displays as drivers of repurchase. This could be examined in the future and may assist in maximizing returns from show selection and entertainment mix.
References


