

An Empirical Investigation of the Relationship Between Service Quality, Brand Image, Trust, Customer Satisfaction, Repurchase Intention and Recommendation to Others

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Abstract

This study investigates the relationship between service quality, brand image, trust, customer satisfaction, repurchase intention and recommendation to others. The study focuses on the automobile industry in Thailand. The researchers use a survey questionnaire that combines the SERVQUAL instrument with additional measures on brand name and brand trust. The findings indicate that service quality has a positive effect on both brand value and customer satisfaction. Customer satisfaction is found to have a positive effect on recommendation but not on repurchase intention. Furthermore, it was found that the main factor influencing repurchase intention and recommendation is brand trust and not brand image. Finally, the results reveal that, on average, European cars ranked higher than Japanese cars in all aspects including service quality, value, image, trust and customer satisfaction.

1. Introduction

The automobile industry in Thailand has been growing rapidly during this decade due to the lack of government transportation. Thai people want to have their own car which will help them more convenient in traveling. The car companies try to offer special promotion as good as they can to attract them to buy but sometimes they forgot to consider about to offer the better after sale service. Some people change to other car brand after the old one was sold because they cannot afford the maintenance cost and accept the service quality from their car dealers. After the economic crisis the car sales volumes decrease rapidly then the car companies launch the new promotion which maintenance free for at least 3 years or 100,000 kilometer to boost the sales again. At the same time they try to maintain the present customers by improving better service. As they believe that if the customers are satisfy with their car and service they are willing to buy the same car brand again in the future. Many companies have been developing their quality of the car and quality of the service to build the companies trust in order to create value differentiating their offer and lowering the maintenance cost.

Then the objective in this research is to study and test the model to describe to which customer repurchase intention and recommendation are influenced by customer perceptions of service quality, product quality, value, customer satisfaction. We also study if brand trust and brand also be influence repurchase intention and recommendation. Sometimes customers change to the other brand because they have more money and want to have better image even though they were satisfy with the former brand. And we will study the relationship between perceived service quality and perceived value to find which factor is influence to each other.

2. Research Questions

1. Is Customer Satisfaction in European cars higher than Japanese cars?
2. What are the factors that affect to Customer Satisfaction?

3. What are the factors that influence to the repurchase intention and recommendation for the same car brand?

3. Expected Significance

1. There should be a different in Customer satisfaction between European cars and Japanese cars.
2. Perceived Value, Perceived Service Quality, Perceived Product Quality should have effect to Customer satisfaction.
3. Customer satisfaction, Brand image and Brand trust should Influence to the repurchase intention.
4. What are the factors that influence to the customers to recommend the car they have used?

4. Literature Review

4.1 Perceived Value

Perceived value takes into account the price of the service in addition to the quality. According to Zeithaml *et al.* (1988), there are four consumer definitions of product value for which supporting literature can be identified. These are:

1. (1) value is low price;
2. (2) value is whatever I want in a product;
3. (3) value is the quality I get for the price I pay; and
4. (4) value is what I get for what I give.

These four definitions have been brought together and perceived value has been defined as the consumers' overall assessment of the utility of a product based on perceptions of what is received and what is given. Utility theory (Lancaster, 1971) provides the theoretical underpinning for the value construct. This approach stresses that very often consumers do not buy services for their own sake. They buy bundles of attributes that together represent a certain level of service quality that is offered by a firm at a certain price level. Customers will derive value according to the utility provided by the combination of attributes less the disutility represented by the final price paid.

The value construct has received relatively little attention in the services marketing literature. On the assumption that perceived product value and perceived service value are analogous, (Bolton and Drew 1991) also extend the definition by (Zeithaml 1988) to the service product. Problems associated with theoretical definitions of the value construct have led to operational definition restraints and difficulties in operationalising the construct. This has often meant the use of a single item measure (Bolton and Drew, 1991). (Rust and Oliver 1994) argue that it is likely that value, like quality, is an encounter specific input to satisfaction.

Perceived value is the customer's overall assessment of the utility of a product based on perceptions of what is received and what is given. Consumers' perception of value is influenced by differences in monetary costs, nonmonetary costs, customer tastes, and customer characteristics (Bolton and Drew, 1991).

4.2 Perceived Service Quality

Perceived service quality is defined as "the consumer's judgment about a product's overall excellence or superiority" (Zeithaml, 1988). According to (Juran 1988) quality consists of two primary elements:

- to what degree a product or service meets the needs of the consumers; and
- to what degree a product or service is free from deficiencies.

Definitions of service quality revolve around the idea that it is the result of the comparison that customers make between their expectations about a service and their perception of the way the service has been performed (Lewis and Booms, 1983; Lehtinen and Lehtinen, 1982; Grönroos, 1984; Parasuraman *et al.*, 1985, 1988, 1991, 1994). (Lehtinen and Lehtinen 1982) give a three-dimensional view of service quality. They see it as consisting of what they term “interaction”, “physical” and “corporate” quality. At a higher level, and essentially from a customer’s perspective, they see quality as being two-dimensional, consisting of “process” and “output” quality. This is not too dissimilar from the conceptualization by (Grönroos 1984) who emphasizes two main dimensions of service quality in his model. He calls the first “technical” quality or “what” is received by the customer and the other “functional” quality or “how” a service is provided. The latter is the most critical aspect and is concerned with the psychological interaction taking place during the exchange transaction. It is based on the customer’s perception and is therefore extremely subjective and encompasses all the cues that the customer picks up during the transaction. These are by no means limited to cues emanating from the server but also from the entire service environment. The importance of both technical and functional quality in the health-care sector has been recognized at an early stage with (Donabedian 1980) identifying a number of dimensions of service quality. Quality care has been identified to include access, technical management both at an administrative and at a clinical level, interpersonal management and continuity of care. Access refers to such aspects as location, hours, telephone and waiting and appointment times. The administrative side of technical management focuses on general ambience and amenities, meals and the efficiency of billing. The clinical side of technical management, which among others refers to the technical quality of care provided, has perhaps been one of the more contentious areas with arguments that patients lack the knowledge to accurately assess technical competence (see, for example, Vuori, 1987). Interpersonal management focuses on indicators like staff warmth, time with patient, privacy and explanations of care, while the continuity of care aspect includes the patient’s ability to recognize and intention to keep the same provider.

The interest in service quality has been influential in contributing significantly to the growth of the general services marketing field. The reviews in (Berry and Parasuraman 1993, and Fisk *et al.* 1993) recognize the contributions made by various academics both in the service quality and in the general area of services marketing. For example, although the research focus of Zeithaml in the 1980s was primarily in the service quality area, she made other important contributions that included highlighting the unique consumer evaluation processes in services (Zeithaml, 1981). The same can be said for Leonard Berry who was one of the earliest writers on services marketing. However, it was the later teaming-up of both Zeithaml and Berry with Parasuraman that was to significantly contribute to the development and expansion of the service quality area as an important research field. In operationalising the service quality construct (Parasuraman *et al.* 1985, 1988, 1994) have made use of qualitative and quantitative research following generally accepted psychometric procedures (cf. Churchill, 1979). This resulted in the development of the original 22 items SERVQUAL instrument that represents one of the most widely used operational of service quality. It has provided researchers with the possibility of measuring the performance-expectations gap ostensibly composed of five determinants, namely:

1. Reliability: Ability to perform the promised service dependably and accurately
2. Responsiveness: Willingness to help customers and provide prompt service
3. Empathy: Caring, individualized attention which the firm provides for its customers.
4. Assurance: Knowledge and courtesy of employees and their ability to convey trust and confidence.
5. Tangibles: Appearance of physical facilities, equipment, personal and communication material.

The expectations side of the instrument dealt with ideal firms that deliver excellent service quality. Because the developers have held that SERVQUAL can be applied to determine the service quality offering of any service firm, the instrument has been extensively adopted (cf. Dabholkar *et al.*, 1996).

The various replications undertaken have highlighted a number of areas of both theoretical and psychometric concern. This criticism has focused on a number of aspects. First, the conceptualisation and usefulness of the expectations side of the instrument have been questioned (cf. Boulding *et al.*, 1993; Cronin and Taylor, 1992, 1994; Forbes *et al.*, 1986; Tse and Wilton, 1988; Wilton and Nicosia, 1986). Second, the problems which expectation scores pose in terms of variance restriction have been

highlighted (cf. Babakus and Boller, 1992; Brown *et al.*, 1993). Third, research has indicated problems associated with difference scores including findings showing that the performance items on their own explain more variance in service quality than difference scores (Babakus and Boller, 1992; Cronin and Taylor, 1992, 1994). Finally, the number of factors extracted has tended to vary from the five dimensions proposed (cf. Bouman and van der Wiele, 1992; Carman, 1990; Cronin and Taylor, 1992, 1994; Gagliano and Hathcote, 1994). In response to the empirical findings that have emerged, Parasuraman *et al.* (1994) have undertaken significant changes. These have included a reconceptualisation and extension of the expectations side distinguishing between desired and minimum expectations and suggesting the use of a three-column format that eliminates the need to re-administer items. The authors also propose a reduction in the number of items to 21, together with the use of nine-point instead of seven-point scales. They also recognise the possibility of the existence of three rather than five dimensions where “responsiveness, assurance and empathy meld into a single factor”.

However, SERVQUAL has not been without criticisms. These criticisms focus on both theoretical as well as operational issues (Buttle, 1996). Asubonteng *et al.* (1996), based on a critical review of 18 service quality empirical studies, reached the conclusion that the underlying SERVQUAL dimensions are likely to be industry specific. For example, Carman (1990) found between six and eight dimensions depending on industry, Headley and Miller (1993) six in the consumption of medical services, while Clow *et al.* (1995) and McAlexander *et al.* (1994) seven and ten respectively in the dental service industry.

Moreover, Ford *et al.*'s (1993) empirical cross-cultural results seem to indicate that the scale is also country specific. Support for this notion comes also from Akviran (1994), who identified four dimensions in a survey conducted in 31 major British organisations, in the fields of banking, building societies, and retail. In addition, even though LeBlanc and Nguyen (1988), in their study of the Canadian credit sector, proposed a five-dimensional construct of service quality, the underlying dimensions differ from those described in Parasuraman *et al.*'s (1985, 1988) work.

The common thrust though of all research efforts on the subject is the conclusion that the criteria customers use to evaluate service quality are complex and difficult to determine precisely. This is due to the fact that:

- services are intangible;
- services are heterogeneous, meaning that their performance often varies from provider to provider, from customer to customer, and from context to context;
- services cannot be placed in a time capsule and thus be tested and re-tested over time; and
- production of services is likely to be inseparable from their consumption.

Furthermore, customers do not assess service quality only on its outcome, but also they consider the process of service delivery as well as the context (Grönroos, 1990; Kotler, 1994).

Customers of services observe and evaluate the production process as they experience the service they receive (Zeithaml, 1988). Berry *et al.* (1985) argued that the service quality attributes of search, experience, and credence are used by consumers to evaluate service quality. Search attributes, such as physical facilities, appearance of personnel, and the supplier's image can be considered before consuming the service. Experience attributes, like responding quickly to a request and performing a service at the agreed time are assessed on the basis of the actual service experience. Finally, credence attributes like financial security of an investment cannot be determined even after repeated use of a service. In this respect, services are difficult to evaluate because they contain many experience and credence attributes and because the actual service varies from one customer to the next (Zeithaml, 1988).

4.3 Satisfaction

Customer satisfaction is a well known and established concept in several sciences: marketing (Fornell and Werneldt, 1987; Fornell and Wernefeldt, 1988; Kotler, 1991), consumer research (Yi,

1989), economic psychology (Johnson and Fornell, 1991), welfare-economics (Simon, 1974), and economics (Van Raaij, 1981; Wärneryd, 1988).

Assuming that the customer is capable of evaluating the service performance, the result is compared to expectations prior to purchase or consumption (Oliver, 1980). Any discrepancy leads to disconfirmation; i.e. positive disconfirmation increases or maintains satisfaction and negative disconfirmation creates dissatisfaction. Having roots in social psychology (Weaver and Brinckman, 1974) and organizational behavior (Ilgen, 1971), expectancy disconfirmation is actually two processes consisting of the formation of expectations and the disconfirmation of those expectations. Perceived performance is influenced by the consumers' perception of quality, marketing mix, brand name and company image. Decision research suggests that positive and negative disconfirmations should weigh very differently on satisfaction. Losses are perceptually greater than gains of equal amount (Kahneman and Tversky, 1979). In line with Kahneman and Tversky's prospect theory, Anderson and Sullivan (1991) suggest that negative disconfirmation has more impact on satisfaction than positive disconfirmation at the micro-level. In this article we treat customer satisfaction as the accumulated experience of a customer's purchase and consumption experiences.

Although satisfaction applies to both tangible and intangible goods the emphasis in this study is on the service setting where the concept has been the subject of investigation in many studies (see, for example, Deruyter *et al.*, 1997; Fornell, 1992; Oliver and DeSarbo, 1988; Spreng and Mackoy, 1996). Moreover, many authors make it a point to highlight that service quality and satisfaction are distinct constructs (Bitner, 1990; Bitner and Hubbert, 1994; Boulding *et al.*, 1993; Parasuraman *et al.*, 1988; Taylor and Baker, 1994). The expectancy/disconfirmation paradigm in process theory provides the grounding for the vast majority of satisfaction studies and encompasses four constructs:

1. Expectations
2. Performance;
3. Disconfirmation; and
4. Satisfaction.

Disconfirmation arises from discrepancies between prior expectations and actual performance. There are three possibilities: zero disconfirmation can result when a product performs as expected; positive disconfirmation can occur when the product performs better than expected; and negative disconfirmation when the product performs below expectations and dissatisfaction sets in (Churchill and Surprenant, 1982; Oliver, 1980, 1981; Oliver and DeSarbo, 1988; Tse and Wilton, 1988; Yi, 1990). A comparison of the satisfaction model with the Gaps model indicates that the most salient feature is that the latter leaves out the issue of disconfirmation and seeks to represent an entire psychological process by an operationalisation that involves the simple subtraction of expectations from perceptions. However, perhaps the most notable distinction is that the basis of comparison for each construct is different. Expectations in service quality refer to "ideal" or what a customer would expect an excellent firm to provide, while expectations in service satisfaction refer to what customers believe "will" happen (Bitner, 1990; Parasuraman *et al.*, 1988; Boulding *et al.*, 1993). A number of other distinctions are often made between satisfaction and quality. First, while the original five dimensions (reduced to three factors in Parasuraman *et al.*, 1994) of SERVQUAL are fairly specific, those for satisfaction are broader and can result from a wider set of factors. Second, satisfaction assessments require customer experience, while quality does not (Bolton and Drew, 1991b; Boulding *et al.*, 1993; Cronin and Taylor, 1994; Oliver, 1980, 1993; Parasuraman *et al.*, 1988). Operationally, satisfaction is similar to an attitude, as it can be assessed as the sum of the satisfactions with the various attributes of the product or service (Churchill and Surprenant, 1982). However, while attitude is a pre-decision construct, satisfaction is a post-decision experience construct (LaTour and Peat, 1979). Satisfaction can be considered at two levels: the transaction or encounter level and overall satisfaction (Bitner and Hubbert, 1994).

Initially, Cronin and Taylor hypothesised that satisfaction is an antecedent of service quality. However, their research with a multi-industry sample showed, in a LISREL analysis, an opposite relationship. Quality appears to be only one of the service factors contributing to the customer's satisfaction judgements (Cronin and Taylor, 1992). Spreng and Mackoy (1996), who test a modified version of a model proposed by Oliver (1993) that sought to integrate the satisfaction and service quality literature, also provide support for service quality as being an antecedent to satisfaction. More

recently, this relationship has also been confirmed from a study in a health-care setting by Deruyter *et al.* (1997), who also show that service quality should be treated as an antecedent of service satisfaction.

4.4 Quality versus Satisfaction

Oliver (1981) summarizes current thinking on satisfaction in the following definition: "[satisfaction is a] summary psychological state resulting when the emotion surrounding disconfirmed expectations is coupled with the consumer's prior feelings about the consumption experience". This and other definitions (e.g., Howard and Sheth 1969; Hunt 1979) and most all measures of satisfaction relate to a specific transaction. Oliver (1981) summarizes the transaction-specific nature of satisfaction, and differentiates it from attitude. The distinction between attitude and satisfaction, is a distinction between service quality and satisfaction. Perceived service quality is a global judgment, or attitude, relating to the superiority of the service, while satisfaction is related to a specific transaction. In the twelve focus group interviews included in the exploratory research conducted by Parasuraman, Zeithaml, and Berry (1985), respondents gave several illustrations of instances when they were satisfied with a specific service but did not feel the service firm was of high quality. In Oliver's (1981) words, "satisfaction soon decays into one's overall attitude toward purchasing products."

4.5 Brand Trust

Trust has received a great deal of attention from scholars in several disciplines such as psychology, sociology, economics, as well as in more applied areas such as management and marketing. This multidisciplinary interest has added richness to the construct, but has also made it difficult to integrate the various perspectives on trust and to find a consensus on its nature. Nevertheless, a careful review of the extant literature reveals that confident expectations and risk are critical components of a definition of trust. Trust therefore is defined as the confidence that one will find what is desired from another, rather than what is feared (Deutsch, 1973). It represents the confidence that the relational party in an exchange will not exploit another's vulnerability. Accordingly, to trust a brand implicitly means that there is a high probability or expectancy that the brand will result in positive outcomes for the consumer.

Considering brand trust as expectancy, it is based on the consumer's belief that the brand has specific qualities that make it consistent, competent, honest, responsible and so on, which is in line with the research on trust (e.g. Andaleeb, 1992; Doney and Cannon, 1997; Larzelere and Huston, 1980). This research suggests that trust is based on the dispositional attributions made to the partner about his/her intentions, behaviors and qualities. The key issue, then, is to know which specific attributions form brand trust.

Drawing on the research on brand trust developed by Delgado *et al.* (2003), we consider that these specific attributions have a technical and intentional nature, which is in line with a two-dimensional idea of trust more commonly found in management and marketing literature (see Doney and Cannon, 1997; Ganesan, 1994; Morgan and Hunt, 1994). Therefore, the first dimension of brand trust (reliability) has a technical or competence-based nature, involving the ability and willingness to keep promises and satisfy consumers' needs. The second dimension (intentions) comprises the attribution of good intentions to the brand in relation to the consumers' interests and welfare, for example when unexpected problems with the product arise. Consequently, a trustworthy brand is one that consistently keeps its promise of value to consumers through the way the product is developed, produced, sold, serviced and advertised. Even in bad times when some kind of brand crisis arises.

In summary, brand trust is defined by Delgado *et al.* (2003) as "the confident expectations of the brand's reliability and intentions". Brand trust is therefore conceptualized as having two distinct dimensions that reflect different perspectives from which a brand may be considered trustworthy.

5. Research Model

The research model used in this study is shown in Figure 1.

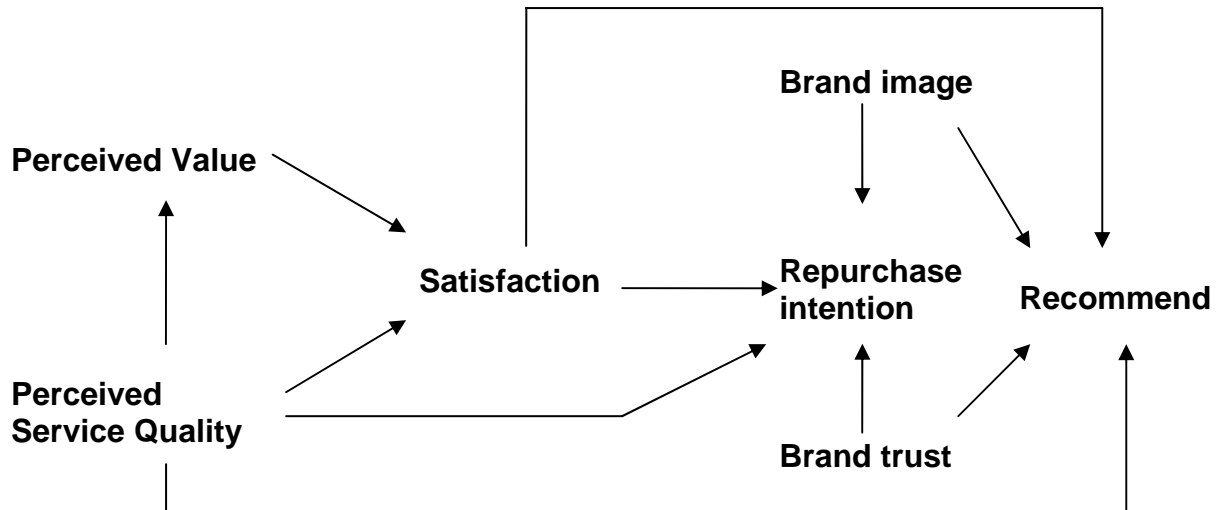


Fig. 1 Research Model

Each of the model components is defined as follows:

- *Repurchase intention.* The individual's judgment about buying again a designated service from the same company, taking into account his or her current situation and likely circumstances.
- *Recommendation.* The individual's judgment about recommending the product and service to someone by experience.
- *Customer satisfaction.* The degree of overall pleasure or contentment felt by the customer, resulting from the ability of the service to fulfill the customer's desires, expectations and needs in relation to the service.
- *Perceived value.* The customer's overall appraisal of the net worth of the service, based on the customer's assessment of what is received (benefits provided by the service), and what is given (costs or sacrifice in acquiring and utilizing the service).
- *Perceived service quality.* The customer's overall assessment of the standard of the service delivery process.
- *Brand image.* The perception and beliefs held by consumers as reflected in the associations held in consumer memory.
- *Brand trust.* The confident expectations of the brand's reliability and intentions.

6. Hypotheses

6.1 Perceived value upon customer satisfaction

Recently, conceptual frameworks have been developed that integrate customer perceived value and customer satisfaction (Heskett *et al.*, 1994; Liljander and Strandvik, 1995; Storbacka *et al.*, 1994; Woodruff, 1997). To date, however, only a small number of studies have provided empirical evidence of the causal links between perceived value and satisfaction (Andreassen and Lindestad, 1998; Cronin *et al.*, 2000; Crosby and Stephens, 1987; McDougall and Levesque, 2000; Patterson and Spreng, 1997).

The proposed relationship of perceived value upon customer satisfaction is supported by value disconfirmation experience. When a single purchase of a product or service is made, the customer expects to receive a benefit greater than the cost, that is, the customer expects to receive value. If anything happens after the purchase that unexpectedly reduces or increases the cost incurred or benefit received, the perceived value is altered. The customer becomes less or more satisfied, which in turn influences subsequent customer value expectations, purchase behaviour and overall customer

satisfaction (Carr, 1990; Voss *et al.*, 1998; Woodruff, 1997). Customer perception of overall service value positively impacts upon customer overall service satisfaction.

The proposed perceived value-customer satisfaction relationship is also supported by the argument that in situations where a particular company service consists of multiple choice options, customers do not simply consume value. In a relationship with the service supplier, customers select options and create value to themselves (i.e. added value) and so increase their product or service satisfaction (Carr, 1990; Grönroos, 1997; Normann and Ramírez, 1993; Ravald and Grönroos, 1996; Rosen and Surprenant, 1998; Woodruff, 1997)

H1: Perceived value has a direct positive effect on customer satisfaction.

6.2 Perceived quality of service upon customer satisfaction

The relationship of quality to satisfaction at either the transaction-specific or global level of analysis is not universally agreed upon (Parasuraman *et al.*, 1994b; Taylor and Baker, 1994; Zahorik and Rust, 1992). Some analysts treat perceived quality as a relatively stable perception of the service which is influenced as customers experience satisfaction or dissatisfaction with specific instances of the service over time (Athiyaman, 1997; Bejou *et al.*, 1996; Bolton and Drew, 1991a, b; Boulding *et al.*, 1993).

Other researchers represent perceived quality as an antecedent, rather than a result of satisfaction (Anderson and Sullivan, 1993; Cronin and Taylor, 1992; Crosby and Stephens, 1987; Danaher and Gallagher, 1997; Fornell *et al.*, 1996; Spreng and Mackoy, 1996; Wels-Lips *et al.*, 1998; Woodside *et al.*, 1989). Furthermore, some studies, upon examining the causal order between customer perceptions of overall service quality and customer satisfaction, find it difficult to establish that one empirically precedes the other (McAlexander *et al.*, 1994; Taylor and Baker, 1994; Taylor and Cronin, 1994)

Even where perceived quality is understood to be antecedent to satisfaction, some researchers indicate that there can be diminishing satisfaction returns to an increase in the level of service quality (Anderson and Sullivan, 1993; Caruana and Pitt, 1997; Johnston, 1995; Mittal *et al.*, 1998; Woodruff, 1997). It is also argued that perceived quality may not be a significant determinant of customer service assessments when the service has high credence attributes (Powpaka, 1996). This paper tests the view that perceived quality is a direct positive antecedent to satisfaction.

H2: Perceived quality of service has a direct positive effect on customer satisfaction.

6.3 Perceived quality of service upon repurchase intention and recommendation

Zeithaml *et al.* (1996) suggest that a customer's relationship with a company is strengthened when that customer makes a favorable assessment about the company's service quality and weakened when a customer makes negative assessments about the company's service quality. They argue that favorable assessment of service quality will lead to favorable behavioral intentions like "praise for the company" and expressions of preference for the company over other companies. Danaher and Rust (1994) and Dabholkar *et al.* (1996) suggest that service quality is associated with likelihood of recommending a product or service.

H3a: Perceived quality of service has a positive effect on likelihood of recommending.

H3b: Perceived quality of service has a positive effect on repurchase intention.

6.4 Satisfaction upon repurchase intention and recommendation

A direct positive relationship between customer satisfaction and repurchase intention is supported by a wide variety of product and service studies (Anderson and Sullivan, 1993; Bolton, 1998; Cronin and Taylor, 1992; Fornell, 1992; Oliver, 1980; Patterson and Spreng, 1997; Rust and Zahorik, 1993; Selnes, 1998; Swan and Trawick, 1981; Taylor and Baker, 1994; Woodside *et al.*, 1989). These studies

establish that overall customer satisfaction with a service is strongly associated with the behavioural intention to return to the same service provider. However, it must be kept in mind that the direct positive relationship of satisfaction upon repurchase intention is a simplification of the matter. While customer satisfaction is a major factor, it is only one of the many variables that can impact upon customer repurchase intention (Jones and Sasser, 1995; Liljandar and Strandvik, 1995; Mittal and Lassar, 1998; Sharma and Patterson, 2000; Srinivasan, 1996; Storbacka *et al.*, 1994)

We posit that satisfaction leads to increased likelihood of recommending and repurchasing. Satisfaction is positively associated with repurchase intentions, likelihood of recommending a product or service, and profitability (cf. Anderson and Fornell, 1994; Anton, 1996; Bitner, 1990). Rust and Williams (1994) found that greater customer satisfaction resulted in a greater intent to repurchase. LaBarbera and Mazursky (1983) found that satisfaction influences repurchase intentions. Dissatisfaction has been seen as a primary reason for customer defection or discontinuation of purchase. Anton (1996, p. 47) suggests that “customers switch suppliers because they are not satisfied with the company’s perceived value, relative to the competition.”

H4a: Satisfaction has a positive effect on repurchase intention.

H4b: Satisfaction has a positive effect on likelihood of recommending.

6.5 Perceived quality upon perceived value

Customer perceived value can be positively influenced by perceived quality and negatively influenced by perceived price (Chang and Wildt, 1994; Dodds *et al.*, 1991). There is not necessarily a positive relationship between the customer's perception of quality and their perception of value. Customers can at times obtain more value from a lower quality product or service, because the low overall price compensates for the reduction in quality (McDougall and Levesque, 2000; Zeithaml, 1988).

However, many studies have found the relationship between perceived quality and perceived value to be positive (Andreassen and Lindestad, 1998; Bolton and Drew, 1991b; Dodds *et al.*, 1991; Erdem and Swait, 1998; Grewal *et al.*, 1998b; Ostrom and Iacobucci, 1995; Smith Gooding, 1995; Sweeney *et al.*, 1999). Assuming other factors constant, an increase (decrease) in perceived quality can be expected to increase (decrease) in perceived value.

H5: Perceived service quality has a direct positive effect on the perceived value of the service.

6.6 Brand Image and Brand Trust upon Repurchase Intention and Recommendation

From the research by Hellier *et al.* (found that customer satisfaction has a direct positive effect on customer loyalty. While Taylor *et al.* (2004) found that customer loyalty is positive related to brand trust and Andreassen and Lindestad (1998) found that image has a positive impact on customer loyalty.

From the literature we assume that if the customers were satisfy with the product and service then they will be loyalty to the company and willing to buy the product and service again. The customer loyalty has a positive related to both image and trust then in this research we try to study if both image and trust can predict the repurchase intention and recommendation.

H6a: Brand Image has a positive direct effect on repurchase intention.

H6b: Brand Image has a positive direct effect on recommendation.

H7a: Brand Trust has a positive direct effect on repurchase intention.

H7b: Brand Trust has a positive direct effect on recommendation.

7. Methodology

7.1 Research Design

This research is a pilot study to test the model, reliability and validity. Data were collected in Bangkok Thailand. The respondents who answered the questionnaires are using the car and service from their brand dealer. There are 51 questions to ask the respondents to rate for the constructs in this research with 5 biological data. All 48 questionnaires were given randomly to the respondents and collected them after they finished immediately: 50 per cent were male and 50 per cent were female.

7.2 Measures

Perceived Service Quality

The service quality in many researches were measured based on 22 items SERVQUAL scale of Parasuraman et.al.(1991) But in this research we decided to measure only Service quality perception that the respondents perceived from using their car dealers' service. We then used SERVPERF of Cronin and Taylor (1994) to ask the service perception with 22 items which we measured all five dimension in service.

Perceived Value

This construct were measured by using 8 items with 7-point Likert scale to rate the value of their car brand by their experience. The questions in this research were developed from the questions by Hellier et.,al. (2003) which they used the set of this question to ask the perceived value of the insurance company.

Customer Satisfaction

Customer satisfaction is a measure of the customers' experience based evaluation of the service/product provider. The questions lead the respondents to rate the satisfaction on their car company by their experience from using the cars and services. Four items were asked with 7-point Likert scale.

Brand image

Brand image requires the development of scale items specific to a product category (Dobni and Zinkhan, 1990; Low and Lamb, 2000.) According to the pretest framework suggested by Low and Lamb (2000), this study developed the scale items and questions to be involved to the car industry. The respondents were asked about the image of their cars. All 6 items were measured on a seven-point Likert scale with 1 for "strongly disagree" and 7 for "strongly agree". We assume here that a high scale point of a brand image indicates that the brand not only has a positive image to the customer but also exhibits a greater level of brand image strength in comparison with others.

Repurchase Intention and Recommend

The repurchase intention that the respondents are willing to buy the same car brand in the future is measure by asking "Will you buy this car brand again?" The score to "Will Buy" is 7, "Maybe/maybe not" is 4 and "Will not buy" is 1. The respondents were also asked if they would recommend other the same car brand they have by asking "Will you recommend this car brand to your known persons?" The score for this question is the same as repurchase intention.

Brand Trust

There are 7 items to measure this construct. The respondents were asked their level of confident, sincerely and credibility of their car brand companies. The questions were developed from Taylor et.,al. research. In that research they measure customers' trust in heavy equipment company. Then we applied it to car industry.

7.3 Reliability

All the constructs were tested for reliability using Cronbach's Alpha. Almost all the constructs have alpha above 0.7 which are acceptable except Responsiveness and Assurance. The questions to rate the responsiveness are Q10 to Q13 and the alpha is only 0.243. This is because Q10 and Q13 are negative questions and may confuse the respondents. Then we cut these 2 questions out and calculated the alpha again and it was increased to 0.651. For assurance we tried to cut some questions and calculated the new alpha but there was no way to increase it so we threw out this construct. The Cronbach's alpha for all 47 questions out was 0.947 and was increased to 0.953 after throwing out Q10 and Q13.

7.4 Validity

In this study we tested the validity of the service quality construct only by testing the correlation between over all scores from 22 items in SERVQUAL and the overall score (1 to 10) that the respondents perceived from their dealers' services. The question asked the respondents to rate the overall service quality by asking "Please rate the score for over all service quality of your car dealer company. (From 1 to 10 points)". After we threw out questions 10 and 13, the correlation between overall score of 20 items left in SERVQUAL and the overall perceived quality score is increased from 0.720 to 0.741. We concluded that the 20 items in SERVQUAL are valid enough to measure service quality of the car dealer companies.

8. Results

The hypotheses in this study were tested using regression analysis. The results are presented in Table 1. From the table, the results show that hypotheses H1, H2, H3a, H4b, H5, H7a, H7b were supported while H3b, H4a, H6a, H6b were rejected.

The results from this study supported those of previous studies that have shown that both perceived value and perceived quality of service have positive effects on customer satisfaction. If customers have good experience with the service quality or perceive good value from the company they will be satisfied with the company; however, perceived service quality has a stronger effect on customer satisfaction than perceived value.

Perceived service quality also influences the respondent to recommend the car brand they are using to others but people may not buy the same car brand even though they received good service from the company.

Customer satisfaction has a positive effect to recommendation but not repurchase intention as well. This can be conclude that the respondents are willing to recommend the car brand that they are satisfy with to someone but may not buy the same car brand in the future. After that we ask some respondents who were satisfy but may not buy the same car brand and we found that it is because the respondents want to buy the more expensive brand if they earn more money. Perceived service quality has positive effect to perceived value. This mean if the customers received good service the value in their eyes will increase.

Brand image has no any effect to both recommendation and repurchase intention while brand trust has positive effect to both. This mean if they are confident in the company and the car they are willing to buy and recommend the same car brand they are using but they will neither buy nor recommend even they feel that this car brand is expensive and luxury.

Hypothesis	R Square	Result
H1: Perceived value has a direct positive effect on customer satisfaction	0.343 ***	Support
H2: Perceived quality of service has a direct positive effect on customer satisfaction.	0.883 ***	Support
H3a: Perceived quality of service has a positive effect on likelihood of recommending.	0.178 *	Support
H3b: Perceived quality of service has a positive effect on repurchase intention.	0.087	Reject
H4a: Satisfaction has a positive effect on repurchase intentions.	0.090	Reject
H4b: Satisfaction has a positive effect on likelihood of recommending.	0.180 *	Support
H5: Perceived service quality has a direct positive effect on the perceived value of the service.	0.351 ***	Support
H6a: Brand Image has a positive direct effect to repurchase intention.	0.061	Reject
H6b: Brand Image has a positive direct effect to recommendation.	0.062	Reject
H7a: Brand Trust has a positive direct effect to repurchase intention.	0.289 ***	Support
H7b: Brand Trust has a positive direct effect to recommendation.	0.334 ***	Support

* Indicates significant at the $p < 0.05$ level
** Indicates significant at the $p < 0.01$ level
*** Indicates significant at the $p < 0.001$ level

Table 1 Regression Results

Table 2 shows the comparison average score in each construct between Japanese and European car.. From the table we can see that there is a high difference score between Japanese car and European car in Image and Value but there is no difference in satisfaction between both.

	SQ	VALUE	TRUST	IMAGE	SATIS	
Japanese Cars	4317.00	1565.00	1404.00	1032.00	833.00	Total
	107.93	39.13	35.10	25.80	20.83	Average
European Cars	882.00	358.00	307.00	278.00	168.00	Total
	110.25	44.75	38.38	34.75	21.00	Average
DIFF	2.33	5.63	3.28	8.95	0.18	

Table 2 Score Comparisons

9. Conclusion

The car companies in Thailand must try to improve their service by improving the equipment and train their staff. They also have to develop their information technology and data base to record the historical service and to remind themselves to contact the customers to come to the service. This will help the customers take care of their cars and the companies will have more revenue from bringing the customers to repair and maintenance with them. This will also increase the value of the company and their satisfaction.

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