Satisfaction in performing arts: the role of value?

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Abstract

Purpose – The aim of this paper is to report on the structure and relationships between value and satisfaction in a cultural performing arts setting to identify the structure of satisfaction in the performing arts context.

Design/methodology/approach – This paper examines customer attitudes to value, show experience quality and peripheral service quality in a high arts setting by using a questionnaire. The pool of questions used the most recent scale measures for constructs in the area of services, in particular experiential services. The data are tested using AMOS 5.0 structural equation modelling.

Findings – This paper reports that value mediates the relationship of show experience quality and peripheral service quality to satisfaction and the direct link of these pathways to satisfaction was not significant. This research supports the notion that customers determine service satisfaction based on attribute performance of the show and peripheral service aspects, and derive value from this.

Practical implications – This research informs cultural organisation managers of the importance of delivering high levels of service quality and show experience in order to offer a value for money experience. This paper identifies the importance of understanding the heterogeneous and complex nature of customer-derived value.

Originality/value – This paper examines a service sector that receives little attention. Cultural organisations operate as non-profit organisations and are accountable for scarce fund allocation. Government support has decreased and corporate sponsorship is scarce and competitive. This paper offers assistance to organisations in the quest to balance the economic issues and constraints by creating value and satisfaction and balancing service quality and show delivery.

Introduction

Recent research has focused on the relationship of service quality and value as predictors of customer satisfaction (Bahia et al., 2000; Brady and Robertson, 2001). The aim of this paper is to advance this by considering the role of the determinants of value and examine what role value plays in the assessment of satisfaction. Specifically this research examines this in a high arts setting and examines what factors contribute to customer value judgments. Recent research (Khalifa, 2004) argues that value is the core to competitive advantage, and as such should be the framework for strategy and future success. As late as 1999, Rentschler identified basic actions that could improve market performance in cultural organisations such as coordinating the marketing mix, conducting some rudimentary market segmentation

analysis and seeking new funding sources through such things as sponsorship arrangements as current marketing practices required in Australian arts organisations (Rentschler, 1999).

We posit that there is a need for application of more advanced concepts from services marketing to be applied to this area, to more clearly understand the nature of strategic marketing that will lead to improved performance of arts organisation. Research has suggested that more informative models of service encounter evaluation will result if multiple comparison measures/standards are used, including such factors as experience based norms, desires, equity and attributes (Halstead, 1999). This paper
aims to extract the attitudes to these comparative standards by including peripheral service quality, show experience quality and value as constructs in the survey. In particular, this research focuses on the construct of value, which has often been one-dimensional, measuring only one aspect of sacrifice. This paper develops a multi-dimensional measure of value examining the perspectives of more than one sacrifice (Voss et al., 1998) and the role that the show and peripheral service quality may play in value judgment.

Cultural performing arts

It is well documented and agreed that a performing arts service offering must provide a primary show experience while simultaneously fulfilling the cultural and artistic goals of patrons and contribute to education and overall community, the economy, tourism and well being (Caldwell and Woodside, 2003; Moses, 2001). Furthermore, the performing arts sector must compete in a more complex arena of entertainment, particularly against movies and sport. The majority of cultural organisations operate as non-profit organisations and are required to be accountable for scarce fund allocation. In more recent times, government support for the arts has decreased as governments look for ways to encourage corporate business to sponsor and support the arts.

One of the major strategic challenges for cultural organisations 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). By better understanding the relationship of value, show experience quality, peripheral service quality and satisfaction organisations can design cost effective services, programs and program delivery which best retain and enhance audience numbers and provide services which assist in developing audiences for long-term survival. Moreover, identifying the varied measures and relationships present in the consumer mindset assists high arts managers in better segmentation and customisation of the offering and delivery of the service experience maximising return on investment. This paper will now review the present research in the areas of value, show experience, service quality and satisfaction, developing the constructs, relationships and identifying the current scale measures to be used to the conceptualised model of satisfaction in a performing arts setting.

Value

In recent years, there has been a resurgence of interest in the value construct among both marketing researchers and practitioners. Despite a growing body of research, it is still not clear how value interacts with related marketing constructs. Researchers have called for an investigation of the interrelationship between customer satisfaction and customer value to reduce the ambiguities surrounding both concepts (Eggert and Ulaga, 2002). Customer value has become a major focus among strategy researchers and practitioners as an essential

element of a firm's competitive strategy. Many firms have been interested in customer value analysis (CVA), which involves a structural analysis of the antecedent factors of perceived value to assess their relative importance in the perceptions of their buyers (Desarbo et al., 2001). Moreover, how to deliver superior value to customers is an ongoing concern of management in many business markets of today and research aim to identify the factors that contribute to value (Ulaga and Chacour, 2001).

The construct of perceived value has been defined in many ways. It is a rich and complex construct configured by customer judgments and desires (Khalifa, 2004). Voss et al. (1998, p. 48) refer to perceived value as the "quality given price" and "price given quality" relationship and suggest that price influences 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 and the same. Moreover, value has been defined as the value received by the customer 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) or the social price which includes effort (Zeithaml, 1988). Perceived value is also shown to have a strong relationship to perceived risk. Consumers' perceived risk has been shown to mediate the quality value relationship and affect the perceived quality, price, risk and willingness to buy (Sweeney et al., 1999). It has also been shown that the value construct is an inverse measure of perceived risk (Sweeney et al., 1999). Moreover, researchers (Zeithaml, 1981; Sweeney et al., 1999) have identified several types of perceived risk, including temporal, financial, sensory, functional and psychological. This mitigates the simplistic notion of perceived value merely as a derivative of price.

In addition, consumer behaviour suggests a relationship of sacrifice and reward as the dimensions of value and these to be the antecedents for customer satisfaction (Howard and Sheth, 1969). The value definitions of an encounter are considered to be an individualistic assessment (Voss et al., 1998). The traditional formulation of customer value is a trade off of benefits and sacrifices, with intrinsic quality typically being the primary benefit, and price typically being the primary sacrifice. While additional sacrifices have been proposed in the literature (e.g. time and effort, industry leadership, innovation and customer focus) and their effects on a hierarchical quality-value-intention system have been examined, this research is limited (Kumar and Grisaffe, 2004). It is evident that the value measures are related to the service experience and the perceived performance of the service including internal and external attributes of the service (Kumar and Grisaffe, 2004). Understanding how each customer assigns value to a service is a difficult yet important task for both researchers and practitioners.

In an attempt to simplify this process and capture consumers attitude toward value, researchers have identified four general areas of value. These include low price, receiving what you want, quality for price, and receiving what you have paid or given for (Zeithaml, 1981, 1988; Caruana et al., 2000), with these dimensions forming the measure of the construct. Sweeney et al. (1999) advanced the measures offered by Zeithaml (1988) by suggesting that the measure of performance influences perceived risk or the perceived possibility of losing something of importance, such as time or money. This extends the consumer behaviouralist's view of rewards and sacrifice to include the domains of time, utility and risk.

The items measuring value in this paper have focused specifically on the temporal utility and financial utility because candidates identified in early exploratory research that these two

attributes were of importance (Hume et al., 2006). At this point, other risk measures and perceptions have been incorporated into other constructs such as service quality. Emotion and sensory value has been incorporated into the service experience construct. The items measuring value to be used in this study have been generated from Bolton and Drew (1992) and comprise:

- for what you received from this service, it is worth the money spent;
- for what you received from this service, it was worth the time and effort; and
- for what I received from this performance my time and money was well spent on this form of entertainment.

Service experience

The service operations system refers to the totality of the customer experience as the service experience (Tseng et al., 1999) or the service encounter (Dwyer et al., 1987). This service experience is the actual experience received by the customer. The customer examines the actual service attributes that are delivered by the service offering. This assessment is more than likely related to the front-office delivery and customer contact and is reflective of both core and supplementary attributes of the service (Lovelock, 1992). These attributes are the evidence on which the customer has to evaluate the service experience and can be both tangible and intangible nature. The front-end experience is divided into two parts:

(1) the inanimate physical surroundings; and

(2) the service personnel or service actors.

Generally, the service experience is the direct and personal contact with the service and the service delivery. This can be both concentrated on the delivery of core aspects – in this case the show – and supplementary service attributes such as ticketing and parking. To examine comprehensively the formation of value it is essential to examine some dissection of each of these aspects. For a performing arts experience the show experience construct will apply to the core of the service – i.e. the show and the technical quality of the show. The other contact elements of the delivery of the entire service, including supplementary service delivery, will be defined as the peripheral service quality. The show experience quality construct differs from peripheral service quality in that it is transaction-specific to the core offering and specific to the consumption of the particular core service and the service description of the service offering (Silvestro and Johnston, 1990). In this context, the core service offering is the show.

It is difficult in service consumption research to distinguish between the specific elements that customers use to measure service quality and perceive value. The distinction between the two constructs is that show experience is a measure of the transaction-specific core experience as perceived by the customer, whereas peripheral service quality is a cognitive measure drawn from many transactional experiences and pertains to the delivery of supplementary aspects of the service such as ordering, ticketing, cloaking, refreshments, parking and other value additions. Supplementary services will also include after-sales and after-consumption services and service recovery. For the purposes of this research, we adopt the basic premise of SERVQUAL and include all functional elements and processes as identified by this measure (Zeithaml et al., 1993). As the quality of the show experience is a transaction-specific measure, it can be hypothesised that a relationship will exist between the consumer's perception of the quality of show experience and the perceived value of the high arts experience. Moreover, as many of the main contact interactions are peripheral aspects of

delivery, it is proposed that the quality of these will also be related to the customer perceived value of the experience.

Service quality

When we measure the performance of actual service versus perceived service, researchers (Zeithaml et al., 1988) suggest we are measuring service quality. Service quality (SQ) refers to the actual performance of the entire service as received by the customer during the service delivery against the perceived service and includes aspects of functional and technical quality (Gro¨nroos, 1990). Service quality receives attention in research as more firms realise that maintaining customers and maximising customer satisfaction through quality delivery is key to long-term relationships (Palmer and O'Neill, 2003). Service quality (SQ) is a well-established construct (Zeithaml, 2000; Zeithaml et al., 1988, 1993) with the relationships of SQ to value and satisfaction receiving ongoing attention and debate in the literature (Bahia et al., 2000). We suggest that a possible reason for this ambiguity is that researchers are treating the service offering in an undifferentiated manner, not accurately portraying how the customer interacts with the service and not comprehensively defining the influence on value and satisfaction. Researchers who have found that relationships established do not apply across a number of service contexts have suggested SQ theory is not generalisable across contexts (Lee et al., 2000). We suggest that separating the service into core and peripheral attributes of service enables a more rigorous assessment of elements critical to value and satisfaction. This is supported by Fergusson et al. (1999), who found that technical and functional aspects of services quality and their relation to service management effectiveness were different between the core and supplementary services, between customers and service personnel, and between customers with and without experience. This supports the need for more thorough analysis of core and supplementary service elements.

As discussed previously, service quality is the level of desired performance measured against actual performance and the customer measure of superiority or excellence. Unlike customer satisfaction, service quality assessment does not require experience of the service and is not transaction-specific (Oliver, 1980; Zeithaml et al., 1988). Recent research insists clarity of the construct is required in order to fully investigate the customer-orientated requirements of service delivery and achieve overall encounter success (Brady and Robertson, 2001). It is then considered that the service quality measures of the show and peripheral aspects of the experience are directly related to value:

> H1. Show experience quality is directly related to value.
> H2. Peripheral service quality is directly related to value.

The items measuring show experience quality were generated from Fitzsimmons and Maurer's (1991) "operations management audit", Danaher and Mattsson (1994), and Bateson's (1995) "servuction technique", and include the following:
- I was happy with the technical aspects of the show, the actors, stage and show performance.
- The show was what I expected.
- The show was stimulating, entertaining and professional.

Moreover, peripheral service quality was measured using items generated from Dabholkar et al. (1996) and SERVQUAL (Zeithaml et al., 1993). The items focused on assurance and trust,

accessibility and reliability of delivery of peripheral service aspects. These items were identified in qualitative work as those of critical importance to consumers (Hume et al., 2006). They include:

- Access, parking and transport to the venue were convenient and easy to find.
- The venue was well-organised and performed the service right the first time.
- The behaviour of the staff at this venue (ticketing, seating, cloaking and refreshments) was of high quality and made me feel comfortable and confident.

The relationship of service quality and value to customer satisfaction
Customer satisfaction (CS) is the result of experiencing a service and comparing that encounter with the expected performance of the service (Oliver, 1980). CS applies to both tangible and intangible goods and can be defined at two separate levels – the transactional and the cumulative (Jones and Suh, 2000). While it is generally agreed that the process of disconfirmation is an antecedent of satisfaction, empirical support for this relationship has been mixed (Yi, 1991). There is a debate as to whether expectations directly affect satisfaction or whether the main antecedents of CS are perceived quality (Bahia et al., 2000; Churchill and Surprenant, 1982). Situational factors may in fact mediate the relationship between expectations and evaluations (Bahia et al., 2000) and offer a more realistic and dynamic representation of customer satisfaction evaluation (Bahia et al., 2000).

The antecedents of perceived value and service quality have been studied extensively in the research as antecedents to customer satisfaction (Patterson and Spreng, 1997; Fornell and Johnson, 1993; Spreng and Olshavsky, 1993; Zeithaml et al., 1985; Mittal et al., 1998; Yi, 1991; Campbell and Verbeke, 1994; Henning-Thurau and Klee, 1997; Zeithaml et al., 1985, 1993). Generally, researchers have concluded these dimensions to have a direct and positive effect on overall satisfaction. Value has been suggested to have a direct and encounter-specific input to satisfaction (Rust and Oliver, 1994) and in certain settings value has been identified between service quality and satisfaction relationships (Caruana et al., 2000). Henning-Thurau and Klee (1997) propose three relationships as service quality as an antecedent to customer satisfaction, customer satisfaction as an antecedent to service quality and the two constructs to be one in the same. Bahia et al. (2000) reiterate two of these causal relationships as antecedent but argue that service quality and customer satisfaction are clearly two distinct constructs. They go further to suggest that when services are complex, performed on a regular basis and require higher levels of involvement then service quality may cause satisfaction. Moreover, when services are perceived as a commodity then satisfaction may in fact influence service quality. Value has been found to intervene in the service quality and satisfaction relationship (Caruana et al., 2000). As such, service quality must have some direct relationship with value and some relationship with satisfaction. Considering the performing arts as a complex service, it could be argued that service quality will be moderated by value to satisfaction.
Therefore considering the current themes in research it is hypothesised:

> H3. Show experience quality is directly related to satisfaction.
> H4. Peripheral service quality is directly related to satisfaction.
> H5. Value is directly related to satisfaction.

The questionnaire items measuring customer satisfaction are developed from Westbrook and Oliver (1991) and Oliver (1980). They include:

- I am satisfied with my decision to visit this provider.
- I believe that purchasing service from this service provider was a wise choice.

- I was happy with my experience with this service provider.

Figure 1 shows the pathways and hypotheses.

Research method

The sample

To undertake this study, a questionnaire was purposively (Patton, 1990) collected from 273 candidates around active social precincts. As the objective of this study was to establish why patrons do and do not re-attend performing arts experiences, a random sample (in mall intercept style; see American Marketing Association, 2004) from persons pursuing social and entertainment activities was chosen. Candidates were initially screened to ensure they were planning to attend a social or entertainment function at the time and had attended at least one performing arts show in the last three years. Those that had not attended in this time period were rejected. This is consistent with the previous research findings by the Australia Council for the Arts of a general attendee timeframe (Australia Council for the Arts, 2003). The sample size of 273 respondents was made up of 156 women and 117 men. Respondents were aged 19 years to 65 + years.
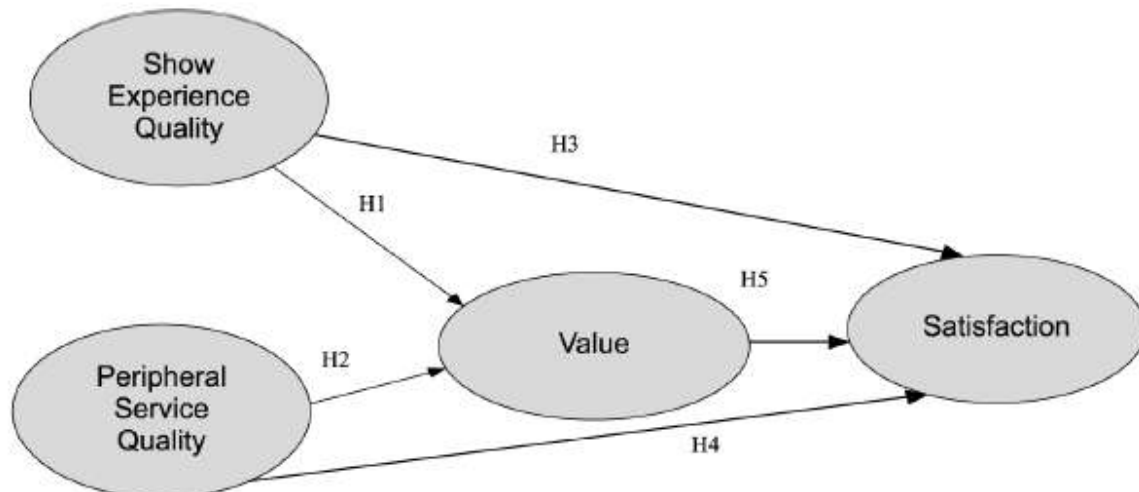

Figure 1.
Conceptual model of satisfaction and role of value: performing arts

Operational measures of constructs

Survey instrument and operationalisation of constructs. The overall objective of this research is to test the system of relationships related to satisfaction in a high arts setting. It is essential to follow a rigorous process whilst developing the scale instrument that will measure the set of variables for each construct in the model. The most appropriate research design can be determined using the considerations of the research questions and hypotheses, the extent of control of the researcher, and the type of research being undertaken (Yi, 1991). Yi (1991) notes that before any data gathering is undertaken, the development of a theoretical framework is needed (Patton, 1990). The model aims to examine four constructs:

(1) show experience quality;
(2) peripheral service quality;

    (3) value; and

    (4) customer satisfaction.

This research is developed using a conceptual map (Miles and Huberman, 1994) that informed the literature search and assisted in developing each of the constructs examined.

Complementing this practice scale purification techniques and practices were also undertaken. As per scale literature, recommended scaling procedures were followed (Zikmund, 1997; Miller, 1970). Items were generated from the construct definitions found in the extant literature and known scales. Two judgment expert panels were then used to examine and purify the items for each construct used for this study. These panels were known as content experts. Content experts are frequently are used in the judgment-quantification stage of content and item validation of instruments. The first judgment-screening panel consisted of six members (six PhDs in the marketing/management field). After known multi-item scales were identified and developed to measure each of the constructs, the panel members examined the scales items and purified each item. The objective of this process was to ensure they reflected construct meanings. In total 36 items were collected and maintained. This process was based on the expert opinion of each of the panel to ensure the items reflected the literature and emerged from a sound theoretical perspective. A second expert panel was developed to verify the selection and remaining items selected by panel one. This second expert panel consisted of 12 members (six PhDs and six marketing Master's graduates) and examined the items for correctness in development, scale appropriateness, content and representation on the domain concept presented. In both panels, each item remained if a majority of experts assigned each item to an agreed construct and agreed on outcomes. Items were rejected according to majority instruction. This further purification resulted in 12 items remaining. A set of 12 items remained which represented the model constructs.

The next stage of purification administered the remaining items to a wider pool of students who volunteered to take part in the study. A total of 52 MBA students were selected from this group in the basis of having service consumption experience. This sample was selected as it was seen to be representative of the target population of the general service industry consumer and appropriate for this particular study. This study was undertaken to ensure content and construct validity. These items were then developed into the final questionnaire for the survey including in part one the instructions and the informed consent consistent with the requirements of ethical guidelines for research on human subjects, in part two the demographics, and in part three the construct items. All items in part three were scored on a seven-point Likert-type scale, with scales ranging from strongly disagree to strongly agree. A pilot test of the questionnaire was conducted on a convenience sample in an entertainment precinct using mall intercept technique (American Marketing Association, 2004) on 50 consumers. No changes were required as a result of this study. Reliability assessment and construct validation was performed through exploratory factor analysis. Scale inclusion was determined using the reliability measure of Cronbach's α (Miller, 1970). The results of exploratory factor analysis indicated that each of the scales – i.e. show experience quality, peripheral service quality, value and satisfaction – were unidimensional in nature. Exploratory factor analysis assessed reliability and validated constructs. Scale inclusion was determined using the reliability measure of Cronbach's α. All values were above 0.7 and are satisfactory. Table I presents the findings.

Results

Estimating the fit indices

Convergent and discriminant validity. Convergent validity is established if the average variance extracted for each factor accounts for 0.50 or more of the total variance, according to Anderson (1984). All variances extracted were greater than 0.50. Show experience quality is 0.541, peripheral service quality is 0.784, value is 0.736 and satisfaction is 0.627, thus establishing convergent validity. Discriminant validity refers to the degree a construct measure differs from others and offers a unique measure. This can be found if the average variance extracted is larger that the squared correlation coefficients between factors. This was met with average variance extracted of 0.635 and squared correlation coefficients between factors of 0.415, thus supporting discriminant validity (Anderson, 1984). Table I presents the results.

Construct	Scale and theory	Items	Variance extracted	Factor loading	Measurement model fit
Peripheral service quality	Zeithaml *et al.* (1993), measuring physical evidence and contact interactions	Access, parking and transport to the venue were available, convenient and easy to find	0.784	0.787	$p = 0.126$; CMIN/df = 2.072; GFI = 0.989; RMSEA = 0.066
		This venue is well organised and performs the service right the first time		0.884	
		The behaviour of the staff at this venue makes me feel comfortable and confident		0.840	
Show experience quality	Fitzsimmons and Maurer (1991), Danaher and Mattsson (1994)	I was happy with the actors, stage and show	0.541	0.645	$p = 0.427$; GFI = 0998; CMIN/df = 0.632; RMSEA = 0.000
		The show was what I expected		0.655	
		The show was entertaining and professional		0.587	
Value	Bolton and Drew (1992) plus one generated item measuring the attitude toward value for time and money	For what you receive from this service, it is worth the money spent	0.736	0.804	$p = 0.273$; CMIN/df = 0.601; GFI = 0.996; RMSEA = 0.00
		For what you received from this service, it was worth the time and effort		0.809	
		For what I received from this performance, my time and money was well spent on this form of entertainment		0.731	
Customer satisfaction	Westbrook and Oliver (1991), Oliver (1980) (items 52-57), measuring the attitude toward overall satisfaction	I am satisfied with my decision to visit this provider	0.627	0.772	$p = 0.687$; CMIN/df = 0.162; GFI = 0.997; RMSEA = 0.000
		I believe that purchasing service from this service provider was a wise choice		0.650	
		I was happy with my experience with this service provider		0.759	

Table I.
Scale and item generation

Performing confirmatory factor analysis (CFA) using AMOS 5.0 (Arbuckle, 1994) assessed the adequacy of construct measures. All indicators loaded on their respective constructs. Testing using AMOS 5.0 confirmed each construct measurement model. Table I reports the measurement indices for each model. Each model was found to be consistent with data according to GFI (.0.9 in all constructs) (Tanaka and Huber, 1989), RMSEA close fit to 0.05 in all constructs (Browne and Cudeck, 1993), p-value of . 0.05 and CMIN,3 (Carmines and McIver, 1981).

Testing the structural model, the fit indices provides evidence of adequate fit to the sample data with the ratio CMIN/df of 2.207 being below 3 (Carmines and McIver,

1981), GFI of 0.936 (Tanaka and Huber, 1989), and a RMSEA measure of approximately 0.069 (Browne and Cudeck, 1993), indicating a close model fit (Browne and Cudeck, 1993; see Table II).

Standardised regression weights and t-values for the structural model are shown in Table III: t-values in excess of 1.96 were accepted as significant (Anderson and Gerbing, 1991). H1, measuring the positive relationship of show experience quality to value ($\beta = 0{:}331$; t ¼ 5:547) and H2, the relationship of peripheral service quality to value ($\beta = 0{:}390$; t ¼ 8:769), were both found to have a positive and statistically significant effect. Conversely, H3 and H4 were found not to be statistically significant, suggesting no significant direct contribution of service quality and show experience to satisfaction. H5 was found to be statistically significant suggesting value to be a strong predictor of satisfaction ($\beta = 0{:}794$ and t ¼ 5:300).

Discussion

This research examined peripheral service quality, show experience quality and value as predictors of satisfaction. Three relationships were found significant in this setting. H1 and H2 were supported: the findings show experience quality and peripheral service quality to be direct predictors of value. Caruana et al. (2000) have suggested that in certain settings value mediates the relationship between service quality and satisfaction. This research supports their finding.

This research reveals that service quality attributes and augmented aspects of the experience such as assurance, trust and reliability have important influences on value. High arts managers must balance delivery of peripheral quality aspects, especially the contact points with personnel and the price quality perception, with the time and budget invested in show development. Peripheral service quality was a strong predictor of value, thus positioning it as an important construct for consideration in future audience development and growth research in cultural organisations. This by no means suggests that the show experience quality is not an important construct when nurturing satisfied customers; it merely presents the construct of value in an arts setting as having multiple influences. The findings of this research suggest the need for a managerial mind-set shift in cultural organisations away from purely focusing on show delivery to a comprehension and delivery of the factors that make up perceived value and, in turn, satisfaction in this context. This research did not support service quality and show experience as direct and positive predictors of satisfaction (H3 and H4). This finding suggests that previous research, positioning service quality as a direct predictor of satisfaction, does not apply in this context (Bahia et al., 2000; Brady and Robertson, 2001).

CMIN	df	CMIN/df	p	RMSEA	GFI	AGFI
147.80	80	2.207	0.000	0.069	0.936	0.896

Table II.
Structural model fit

	Hypothesised relationship	β estimates	SE	CR or t value	p value
H1	Show experience quality → value	0.331	0.065	5.547	<0.000
H2	Peripheral service quality → value	0.390	0.044	8.769	<0.000
H3	Show experience quality → satisfaction	0.688	0.092	7.153	0.122
H4	Peripheral service quality → satisfaction	0.794	0.150	5.300	<0.000
H5	Value → satisfaction	0.114	0.135	0.848	0.146

Table III.
Standardised regression weights and t-values for structural model

H5 found value to be a positive predictor of satisfaction. This finding is supportive of Rust and Oliver (1994), who suggested that value had a direct and encounter-specific input to satisfaction. They found that the degree of perceived value received from the experience strongly influenced the level of satisfaction. It is evident that this is case, shown by the significant relationship of service quality to value and the significant relationship of value to satisfaction in this research model tested. The model indicates that value is derived from the appraisal of service quality and show experience with value entirely mediates the relationship to satisfaction.

Arts managers are faced with many strategic decisions, ranging from show allocation and management to venue management, depending on the type of organisation. The focus of these decisions has long been on the provision of artistic value to deliver satisfaction, overlooking other dimensions of utility and value. It is evident from this research that this approach needs to be expanded to include the elements of service quality that the customer identifies as the factors of financial and temporal value in order to deliver satisfaction. Once establishing the predictors of value, the high arts manager needs to design programs and delivery processes that provide satisfaction to the customer. Adopting a satisfying customer-orientated strategy by using customer satisfaction surveys, quality programs and integrating the customer voice into decision-making are some of the techniques that could be adopted. It is evident from the research that the customer must be satisfied with the value/utility association.

Finally, this research indicates that cultural organisations have several clear factors that will assist in audience development in the long run. These include offering price-driven value, pleasing show performances, quality customer service and service delivery, and satisfaction with the perceived value of the show and the service. Understanding the entirety of these will assist managers in improving future financial performance of organisations (Henning-Thurau and Klee, 1997).

Conclusion and limitations

Future research could be conducted using segments examined in popular arts research such as regular, subscriber and infrequent users (Garbarino and Johnson, 1999), in particular observing the level of price and genre type. As this research has offered clarity and understanding to the measure of value, increased understanding and applicability of the value construct in this high arts setting has been gained. Moreover, this research could examine and classify cultural organisations based on type and operations. This style of research could highlight whether customers distinguish large-venue based organisations offering popular genre performances in formal settings as being different to smaller troupe-style performers

and performances in less conventional settings. Research identifying whether value and satisfaction measures differ in different physical settings would be of value for groups who set up in older abandoned premises and differentiate on the basis of this eccentricity (e.g. The Convent in Abbotsford, Melbourne, Australia). Future research could also consider additional pathways such as the direction and strength of relationships of supplementary attributes and core attributes, value and satisfaction to repurchase intention. This research could offer greater rigor to the relationships already established. This paper has offered a perspective of the general nature of value and perceived value in cultural organisations from a business research perspective rather than from a dramatic studies perspective. This paves the way for future developments in this high arts context combining the themes and theories from arts studies and business fields.

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